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RASHELLE HOBBS
Recorder, Salt Lake County, UT
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WHEN RECORDED, RETURN TO:

Dennis K. Poole, Esq.
POOLE & ASSOCIATES, L.C.
4543 South 700 East, Suite 200
Salt Lake City, Utah 84107

Space Above This Line for Recorder's Use

LEASEHOLD DEED OF TRUST

THIS LEASEHOLD DEED OF TRUST (the "Trust Deed") is made this 8 day of July, 2021, from a STH MAGNOLIA, LLC, a Utah limited liability company, 242 West Paramount Avenue, Salt Lake City, Utah 84122, ("Trustor"), to Dennis K. Poole, Attorney at Law, 4543 South 700 East, Suite 200, Salt Lake City, Utah 84107 ("Trustee") and SHELTER THE HOMELESS, INC., a Utah nonprofit corporation, whose address is 242 West Paramount Avenue, Salt Lake City, Utah 84122 ("Beneficiary").

Trustor hereby CONVEYS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, all of the leasehold right, title, interest and estate of Trustor, now owned or hereafter acquired in and to the real property situated in Salt Lake County, Utah, being more particularly described on Exhibit "A", attached hereto and incorporated herein by reference, which interest was created pursuant to that certain Ground Lease Agreement dated December 20, 2019, and entered into between Salt Lake City Corporation, a Utah municipal corporation and Trustor, TOGETHER WITH all right, title, and interest of Trustor in and to all buildings and improvements now located or to be erected or placed upon any real property which is now or hereafter subject to the lien of this Trust Deed, and all right, title, and interest of Trustor, now owned or hereafter acquired, in and to all water rights, rights of way, easements, rents, issues, profits, income, tenements, hereditaments, privileges, franchises, rights, appendages, and appurtenances belonging or in any way appertaining to all such real property (collectively, the "Property").

TOGETHER WITH any and all awards or payments, including interest, which may be made with respect to the property described above as a result of: (a) the exercise of the right of eminent domain; (b) the alteration of the grade of any street; or (c) any other injury to or decrease in the value of the property described above, to the extent of all amounts which may be secured by this Trust Deed at the date of receipt of any such award or payment by Beneficiary, including reasonable attorneys' fees, costs, and disbursements incurred by Beneficiary in connection with the collection of such award or payment. Trustor agrees to execute and deliver from time to time such further instruments as may be requested by Beneficiary to confirm such assignment to Beneficiary of any such award or payment.

SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Salt Lake City Corporation to collect and apply such rents, issues and profits;

TO HAVE AND TO HOLD the same IN TRUST, WITH POWER OF SALE, for the purpose of securing:

- A. The payment of all indebtedness owing from Trustor to Beneficiary, including but not limited to a certain Promissory Note dated July 8, 2021, for the principal sum of Seven Hundred Fifty Thousand Dollars (\$750,000.00) made by Trustor and payable to the order of Beneficiary (the "Note");
- B. The performance of all obligations of Trustor under the Note; under this Trust Deed; and under any other loan agreements and loan documents executed in connection with this Trust Deed (the "Loan Document(s)");
- C. The payment of all sums, including outstanding principal and interest, expended or advanced by Beneficiary pursuant to the terms of this Trust Deed or any other instrument now in existence or hereafter executed or any amendment or modification thereto, the purpose of which is to secure the payment of the Note (the "Indebtedness");
- D. The performance of each covenant and agreement of Trustor contained herein and in any modification or amendment of this Trust Deed.

COVENANTS AND AGREEMENTS

1. Repayment of Indebtedness. Trustor covenants and agrees to pay promptly the principal of and interest on the Indebtedness, to pay promptly all other sums due pursuant hereto, and to perform each and every agreement and condition contained in the Note, this Trust Deed, and all other Loan Documents.

2. Default.

a. A default under Section 6 of the Note not cured within the time periods specified in Section 7 of the Note shall constitute an event of default under this Trust Deed (an "Event of Default").

b. Upon the occurrence of any Event of Default, at Beneficiary's option and in addition to any other remedy Beneficiary may have under the Note or any other Loan Document or at law or in equity or by statute, Beneficiary may declare all sums secured hereby immediately due and payable and elect to have the Property sold in the manner provided by law and set forth herein. In the event Beneficiary elects to sell the Property, Beneficiary or Trustee shall initiate foreclosure proceedings in the manner provided by law for sale of trust property. In the alternative, Beneficiary shall have the option to foreclose this Trust Deed in the manner provided by law for the foreclosure of mortgages on real property, and Beneficiary shall be entitled to recover in such proceedings all costs and expenses incident thereto, including reasonable attorney's fees and costs in such amounts as shall be fixed by the court. The Trustor's limited partner shall have the right, but not the obligation to cure any default hereunder.

c. Trustor shall surrender possession of the Property to the purchaser immediately after the sale of the Property as provided in Section 2.b. above, in the event such possession has not previously been surrendered by Trustor.

3. Condemnation and Insurance Proceeds.

a. Trustor hereby assigns to Beneficiary all of the right, title, and interest which Trustor has or may have in and to (1) the proceeds of any award or claim for damages, including, without limitation, from insurance policies, in connection with any condemnation or other taking of or damage or injury to the Property; and (2) all causes of action, whether accrued before or after the date of this Trust Deed, of all types for damages or injury to or in connection with the Property, or in connection with any transaction financed by funds secured by the Loan Document(s), including without limitation causes of action arising in tort or contract and causes of action for fraud or concealment of a material fact (collectively, the "Claims"). Any such proceeds assigned to Beneficiary shall be paid directly to Beneficiary. Beneficiary may at its option appear in and prosecute in its own name any action or proceeding to enforce any such cause of action and may make any compromise or settlement thereof, and may join Trustor in adjusting any loss covered by insurance.

b. Notwithstanding any of the provisions set forth in Section 3.a. above, so long as no Event of Default has occurred and is continuing at the time of Beneficiary's receipt of the proceeds of the claims ("Proceeds") and no Event of Default occurs thereafter, Beneficiary shall apply the Proceeds in the following order of priority: First, to Beneficiary's expenses in settling, prosecuting or defending the claims; Second, to the repair or restoration of the Property; and Third, to Trustor if the repair or restoration of the Property has been completed, but to the Indebtedness in any order without suspending, extending or reducing any obligation of Trustor to make installment payments if the repair or restoration of the Property has not been completed.

4. Hazard Insurance. Trustor shall insure the Property now existing or to be placed thereon against loss by fire and any other hazards for which Beneficiary requires insurance in the amounts and for the periods necessary to adequately protect the value of the Property and Beneficiary's interest therein. Beneficiary shall be named an additional insured party in all such insurance policies.

5. Effect of Foreclosure on Insurance Claims. In the event of foreclosure of this Trust Deed, or other transfer of title to the Property in extinguishment of the Indebtedness, any insurance policies then in force shall pass to the purchaser or grantee. Trustor hereby assigns, transfers, and sets over to Beneficiary all of its right, title, and interest in and to any claim under any insurance policy which has not been paid and distributed in accordance with the terms of this Trust Deed until after any such transfer of title. The insurance proceeds so paid shall be the property of Beneficiary and shall be paid to Beneficiary as payment on the Indebtedness to the extent not fully discharged. The balance, if any, shall belong to Trustor as its interests may appear. Notwithstanding the above, Trustor shall retain an interest in the insurance policies above described during any redemption period.

6. Payment of Taxes and Assessments. Trustor covenants and agrees to pay before they become delinquent all taxes, special assessments, water and sewer rents or assessments, and all other charges imposed by law upon or against the Property, ordinary and extraordinary, unforeseen and foreseen.

7. Preservation of Lien Priority by Trustor.

a. The lien of this Trust Deed is and will be maintained as a valid lien on the Property subordinate only to those liens or encumbrances previously consented to in writing by Beneficiary. Trustor will keep and maintain the Property free from all liens of persons supplying labor and materials entering into the construction, modification, or repair of the Improvements and obtain bonds or other security required by Beneficiary in this respect. If any such lien is recorded against the Property, Trustor shall post a bond, as provided by statute, or discharge the same of record within fifteen (15) days after such lien is recorded.

b. All property of every kind acquired by Trustor after the date of this Trust Deed, which is required or intended to be subjected to the lien of this Trust Deed shall, immediately upon its acquisition and without any further conveyance, assignment, or transfer, become subject to the lien of this Trust Deed.

c. If any action or proceeding is instituted to evict Trustor or to recover possession of the Property or for any other purpose affecting this Trust Deed or the lien of this Trust Deed, Trustor shall deliver immediately to Beneficiary a true copy of all process, pleadings, and papers, however designated, served or received in such action or proceedings.

8. Further Encumbrance or Sale. Except as may be permitted under any other Loan Document, Trustor shall not voluntarily or involuntarily encumber, transfer, sell, convey, assign or otherwise dispose of the Property, or any portion thereof, without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld, conditioned, or delayed. Trustor shall reimburse Beneficiary for all costs and expenses, including without limitation reasonable attorneys' fees, incurred by Beneficiary in connection with its review of Trustor's request for Beneficiary's consent.

Notwithstanding the terms of this Section 8 or of any other provision in the Loan Documents, it shall not be a default under this Section 8 or under any other Loan Document if (a) there is a transfer of an investor membership interest in Trustor or a transfer of a membership interest in Investor Member, and (b) the transferee is an Affiliate (as hereinafter defined) of Investor Member or, in the case of a transfer of membership interest in Investor Member, the Investor Member remains an Affiliate. In addition, the Investor Member may transfer its investor membership interest to (i) a financial institution, corporation, financial service firm or insurance company that is investment grade (defined as BBB- or better rating by S&P or similar rating agency) or has net assets of \$250,000.00 or more or is a wholly-owned subsidiary of such an entity, (ii) a syndicated low-income housing tax credit fund whose manager is nationally recognized and has at least ten (10) years of prior experience in low-income housing tax credit funds which have totaled in the aggregate at least \$200,000.00 in equity, and (iii) after the Investor Member has made its Stabilization Capital Contribution, the Investor Member may transfer its membership interest to any third party so long as such transferee is not a prohibited person under Lender's customary know-your-customer reviews. For the purposes of this section, the term Investor Member means "Investor Member" means GSB LIHTC Investor LLC, a Delaware limited liability company, and the term "Affiliate" shall mean any investor member of Trustor or any entity which is controlled by or under common control with Investor Member as control[led] is defined in this Section 14, including, without limitation, any direct or indirect affiliate or subsidiary of Goldman Sachs Group, Inc. and/or any partnership or limited liability company in which Goldman Sachs Group, Inc. or a direct or indirect subsidiary or affiliate thereof is the general partner or managing member, as applicable.

Notwithstanding the terms of this Section 8 or of any other provision in the Loan Documents, it shall not be a default under this Section 8 or under any other Loan Document if there is a removal and simultaneous replacement of Trustor's manager, provided that (a) such removal and replacement is made "for cause" in accordance with the Operating Agreement, and (b) the removed manager is replaced by an Affiliate of Investor Member (as defined above) or a third party with the consent of Lender, which consent will not be unreasonably withheld. For purposes of this section, the term "Operating Agreement" means the Amended and Restated Operating Agreement of Trustor by and between the Manager of Trustor and Investor Member.

9. Maintenance of Property. Trustor shall not commit any waste on the Property or take any actions or bring or keep any article on the Property or cause or permit any condition to exist on the Property which is prohibited by or could invalidate any insurance coverage carried on the Property. Trustor, in the use and operation of the Property, shall comply with all covenants and conditions, restrictions, agreements or other matters affecting the Property.

10. Protection of Security. Trustor shall perform all tasks reasonably necessary to protect the security and lien interest in the Property created by this Trust Deed as requested in writing by Beneficiary. Beneficiary may appear in and

defend any action or proceeding involving or affecting the security of this Trust Deed. Trustor shall pay all costs and expenses, including reasonable attorney's fees, in any such action or proceeding in which the Beneficiary may appear.

11. Non-Discrimination. Trustor and all tenants, subtenants, licensees, contractors, agents and employees of Trustor will not discriminate against any person or group of persons on any unlawful basis in the construction, sale, lease, rental, sublease, transfer, use, occupancy, tenure or enjoyment of the Property or any of the Improvements.

12. Severability of Clauses. If any term, covenant, condition, or provision of this Trust Deed or of the Loan Document(s) is held to be invalid, illegal, or unenforceable, the applicable document shall be construed without such provision.

13. Notices. All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed effective when delivered or three days after deposit in the United States mail, postage prepaid, certified or registered mail, return receipt requested, to the address given above or to such other addresses as may be furnished in writing for such purposes, with a copy to one additional person each, as specified herein:

To Beneficiary: SHELTER THE HOMELESS, INC.
242 West Paramount Avenue,
Salt Lake City, Utah 84111

To Trustor: STH MAGNOLIA, LLC
242 West Paramount Avenue,
Salt Lake City, Utah 84111

14. Waiver. Failure by Beneficiary to insist upon the strict performance of any provision of this Trust Deed or to exercise any right or remedy shall not constitute a waiver of Beneficiary's rights therein. No covenant, agreement, term, or condition in this Trust Deed and no breach thereof, may be waived, altered, or modified except in writing by Beneficiary.

15. Inspection of Property. Beneficiary and its authorized representatives may enter and inspect all portions of the Property upon reasonable notice and at all reasonable times.

16. Binding Effect. This Trust Deed shall be binding upon and shall inure to the benefit of the parties and their respective heirs, successors, and assigns. If Trustor is now or is ever composed of more than one party, the obligations and warranties contained within and arising from this Trust Deed are and shall be joint and several as to each such party.

17. Applicable Law. This Trust Deed shall be governed by the laws of the State of Utah. Trustor shall comply with all applicable federal, state, and local laws, statutes, ordinances, orders, rules, regulations, restrictions, and requirements.

18. Indemnification. Trustor shall indemnify, defend, and hold harmless the Beneficiary, its officers, agents, and employees from and against any and all loss, damage, injury, liability or claims of any kind, including claims for personal injury or death, damages to personal property and liens of workers or material providers, howsoever caused, resulting directly or indirectly from the performance of this Trust Deed or the Loan Document(s) by Trustor.

19. Entire Agreement. This Trust Deed and all of the other Loan Document(s), once executed, constitute the entire agreement between the parties and may not be modified or amended in any manner other than by supplemental written agreement executed by the parties.

20. No Third-Party Benefits. This Trust Deed and the other Loan Document(s) are made for the sole benefit of Trustor and Beneficiary and their successors and assigns, and no other legal interest of any kind shall be created hereunder. Beneficiary shall have no obligation or liability of any kind to any third party by reason of any actions or omissions made pursuant to this transaction.

21. Defined Terms. All capitalized terms used herein but not otherwise defined shall have the meanings given such terms in the Loan Documents.

22. Rider. The Rider to Deed of Trust, attached below, is hereby incorporated into this Trust Deed by this reference.

23. Subordination. This Trust Deed is subject and subordinate in all respects to that certain Construction Leasehold Deed of Trust, With Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing made by Trustor to Cottonwood Title Insurance Agency, Inc., as trustee, for the benefit of Goldman Sachs Bank USA (the "Superior Lender"), dated as of January 29, 2020, and recorded on January 29, 2020 in the Office of the Recorder of Salt Lake County, Utah, as document number 13181967 (the "Superior Trust Deed"). Notwithstanding anything contained herein to the contrary, until the later of (i) the date the Superior Trust Deed is paid in full, and (ii) the date the Trustor has fulfilled all of its obligations under the Superior Trust Deed and/or any other loan document executed in connection with the indebtedness secured by the Superior Trust Deed, the Beneficiary will not (i) commence foreclosure proceedings with respect to the Property under the Note, this Trust Deed and the other Loan Documents, including, but not limited to accelerating sums due under the Note, collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder, (ii) join with any other creditor in commencing any bankruptcy reorganization arrangement, insolvency or liquidation proceedings with respect to the Trustor, (iii) otherwise exercise any other rights or remedies under or in respect of this Trust Deed or the Note secured hereby, or (iv) modify the terms of this Trust Deed without the prior written consent of the Superior Lender and its successors and assigns. Notwithstanding anything to the contrary contained herein, the holder of the Superior Trust Deed shall be third party beneficiaries of the rights of Beneficiary under this Trust Deed.

IN WITNESS WHEREOF, Trustor has executed and delivered this Trust Deed as of the date first above written.

TRUSTOR:
STH MAGNOLIA, LLC, a Utah limited liability company

By: Laurie Hopkins
Name: Laurie Hopkins
Title: Executive Director

STATE OF UTAH)
) : ss.
COUNTY OF Summit)

On the 8 day of July, 2021, personally appeared before me, Laurie Hopkins, who being by me, duly sworn, did say that he/she is the Executive Director of STH MAGNOLIA, LLC, a limited liability company of Utah, and that the foregoing instrument was signed by him/her on behalf of said limited liability company by authority of a Resolution and the said individual acknowledged to me that said organization executed the same

Trent Nolan
NOTARY PUBLIC
Residing in ~~Salt Lake~~ Summit County, Utah



Exhibit A

Real Property Description

That certain real property situated in Salt Lake County, State of Utah and being more particularly described as follows:

PARCEL 1:

Lot 1, VIOLIN SCHOOL COMMON SUBDIVISION, according to the official plat thereof recorded in the office of the Salt Lake County Recorder on December 12, 2019, as Entry No. 13145119, in Book 2019P, at Page 344.

PARCEL 1A:

A non-exclusive right of way over and across the following described property: Beginning at a point being South 89°58'28" West 6.00 feet South 00°02'38" East 60.02 feet from the Northwest corner of Lot 3, Block 50, Plat "B", Salt Lake City Survey; said point being on the Easterly right-of-way line of 300 East Street; thence leaving said Easterly right-of-way line along the Northerly line of Arnold Place North 89°58'29" East 154.75 feet; thence South 00°02'38" East 11.50 feet to the centerline of Arnold Place; thence along said centerline South 89°58'29" West 154.75 feet to said Easterly right-of-way of 300 East Street; thence along said Easterly right-of-way line North 00°02'38" West 11.50 feet to the point of beginning.

PARCEL 1B:

A non-exclusive right of way over and across the following described property: Beginning at a point being North 89°58'28" East 138.22 feet from the Northwest corner of Lot 3, Block 50, Plat "B", Salt Lake City Survey, said point being on the Northerly line of said Lot 3; thence along said Northerly line of Lot 3 North 89°58'28" East 16.53 feet; thence leaving said Northerly line of Lot 3 South 00°02'38" East 83.02 feet; thence South 89°58'29" West 16.53 feet; thence North 00°02'38" West 83.02 feet to the point of beginning.

RIDER TO DEED OF TRUST
AFFORDABLE HOUSING PROGRAM
RETENTION AGREEMENT
AND RESTRICTIVE COVENANTS
(AHP Rental Project)

This Rider to Deed of Trust - Affordable Housing Program Retention Agreement and Restrictive Covenants (AHP Rental Project) (this "Rider") is attached to and made part of the foregoing deed of trust or similar security instrument (the "Deed of Trust"). In this Rider, the beneficiary of the Deed of Trust is referred to as the "Lender" and the trustor or grantor under the Deed of Trust is referred to as the "Owner" or "Borrower." This Rider is a form of "retention agreement" referred to below.

RECITALS:

- A** **Whereas**, pursuant to Section 721 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), the Federal Housing Finance Agency ("FHFA") is required to cause each Federal Home Loan Bank to establish an affordable housing program ("AHP") to assist members of each Federal Home Loan Bank to finance affordable housing for very low-, low-, or moderate-income households.
- B** **Whereas**, The Federal Home Loan Bank of San Francisco (the "FHLB") also has established an Affordable Housing Program Implementation Plan (as amended from time to time, the "Implementation Plan") and policies, procedures, guidelines and instructions covering, among other things, feasibility, disbursement, monitoring and modifying affordable housing projects participating in the AHP (as amended from time to time, the "AHP Policies and Procedures");
- C** **Whereas**, Lender, a member of FHLB, and the Project Sponsor submitted an application to the FHLB (the "AHP Application") for an AHP subsidy (defined below) in connection with the real property identified in the AHP Application and the improvements and tangible and intangible personal property associated or connected therewith, all of which is encumbered by the Deed of Trust (the "Project").
- D** **Whereas**, pursuant to regulations (including, without limitation, those contained in 12 CFR Part 1291) promulgated by the FHFA pursuant to FIRREA (the "AHP Regulations"), members of each Federal Home Loan Bank are required to provide for the repayment of any direct subsidy should said direct subsidy or the Project or a portion of the Project be unused or improperly used.
- E** **Whereas**, in connection with the Project, Project Sponsor entered into an Affordable Housing Program Direct Subsidy Agreement Rental Project (the "Subsidy Agreement") with the FHLB and Lender, pursuant to which Project Sponsor and Lender agreed to be bound by the AHP Regulations and perform certain monitoring functions with respect to the Project and related AHP Subsidies.
- F** **Whereas**, Lender has advanced or agreed to advance the AHP Subsidy (defined below) to Borrower in connection with Borrower's purchase, construction and/or rehabilitation of real property described in the Deed of Trust, and in connection with the AHP Subsidy, Borrower has executed the Deed of Trust, which includes this Rider.
- G** **Whereas**, the Parties desire to cause the Income and Affordability Restrictions and related covenants and restrictions required by the Subsidy Agreement to become recorded restrictions burdening the Project as defined below.

By signing the Deed of Trust, Borrower hereby agrees as follows:

1. **AHP Subsidy.** The secured obligation described in and secured by the Deed of Trust represents the "AHP Subsidy" used or to be used in connection with the purchase, construction or rehabilitation of the Project.
2. **Definitions.** As used in this Rider, the following capitalized terms have the following meanings:

"**Income-Eligibility and Affordability Restrictions**" means income limitations as amended or modified or adjusted annually according to the current applicable median income data from time to time with the approval of the FHLB and rent limitations such that the Project units are affordable for households with incomes at or below the levels committed to be served in the AHP Application.

"**Loan**" means the advance of funds evidenced by the Note.

"**Loan Documents**" means the Note, the Deed of Trust, and all other documents relating to or securing the Note, each as renewed, amended, modified, restated and extended from time to time.

"**Note**" means the promissory note secured by the Deed of Trust.

"**Retention Period**" means the period commencing on the date of the completion of the Project as determined by FHLB in its discretion and ending fifteen (15) years after the same date.

All other capitalized terms not otherwise defined herein or in the Deed of Trust shall be as defined in the Subsidy Agreement among the Project Sponsor, Lender and FHLB.

3. **Covenants.**
 - (a) **Compliance.** Borrower shall comply with the AHP Regulations, the FHLB's AHP Policies and Procedures, and the commitments made by the Project Sponsor in the AHP Application and the Subsidy Agreement.
 - (b) **Income-Eligibility and Affordability Restrictions.** Borrower shall cause the Project's rental units, or the applicable portion thereof, to remain occupied by and affordable for households with incomes that are consistent with the Income and Affordability Restrictions for the duration of the Retention Period. The Income and Affordability Restrictions shall terminate upon transfer of title to the Project following foreclosure or deed in lieu of foreclosure of the Deed of Trust or a senior deed of trust.
 - (c) **Notice of Proposed Transfer or Refinancing.** Borrower shall give the FHLB or its designee notice of a sale, refinancing, foreclosure or transfer in lieu of foreclosure of the Project occurring prior to the end of the Retention Period at least fifteen (15) calendar days prior to the anticipated happening of such an event. Notwithstanding any other provision contained in the Deed of Trust, in case of any sale or transfer of the Project, Borrower shall ensure that the documentation of such sale or transfer includes a provision acceptable to Lender in its sole discretion that the Project will continue to be used for affordable housing consistent with the AHP Regulations and AHP Application.

- (d) **Repayment.** In case of a sale or refinancing of the Project prior to the end of the Retention Period, subject to the nonrecourse provisions of the Note and this Rider, Borrower shall on demand repay all principal and accrued interest on the Note in full, unless:
- (i) the Project continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the Income-Eligibility and Affordability Restrictions committed to in the approved AHP Application for the duration of the Retention Period; or
 - (ii) if authorized by the FHLB, in its discretion, the households are relocated, due to the exercise of eminent domain, or for expansion of housing or services, to another property that is made subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the Income-Eligibility and Affordability Restrictions committed to in the approved AHP Application for the remainder of the Retention Period.
- (e) **No Discrimination.** Borrower shall not discriminate in the rental of affordable housing units based on race, religion, sex, national origin, handicap or familial status, and shall obey all applicable fair housing laws.
- (f) **Monitoring Information.** Borrower shall provide to Lender and the FHLB, promptly following Lender's or the FHLB's request, any and all information the FHLB or Lender requires to meet its obligation to monitor projects which have received AHP subsidies, under the AHP Regulations, AHP Application and any applicable law, in a format as required by or acceptable to the FHLB and Lender.
- (g) **Notice of Violation; Additional Information.** Borrower shall promptly give written notice to the FHLB and Lender of an occurrence of noncompliance with the requirements of the AHP Regulations, the FHLB's AHP Policies and Procedures or the Subsidy Agreement at the earliest possible date after discovery of such noncompliance, and after Borrower has had reasonable time to investigate and evaluate the occurrence which may constitute noncompliance, but in any event, notice shall be given no later than fifteen (15) calendar days following discovery of an occurrence that constitutes noncompliance. In addition, Borrower shall provide to Lender or the FHLB, or both, within fifteen (15) calendar days following the request of Lender or the FHLB, or both, as the case may be, information and requested documentation concerning the Project and the Loan.

4. **Cure Rights.** Notwithstanding anything to the contrary in the Note or Deed of Trust:

- (a) Borrower shall have the right to cure any defaults and Lender agrees to accept cures tendered by Borrower within thirty (30) days of written notice to Borrower of such default, plus such additional time as is reasonably necessary to cure the default provided Borrower has commenced the cure within such thirty (30) day period and is diligently prosecuting the cure.
- (b) if a default is eliminated by an approved modification of the AHP Application consistent with Paragraph 11 of the Subsidy Agreement (or any successor provision) and the AHP Regulations, the default shall be deemed cured.
- (c) Lender shall give Borrower's tax credit investor, if any ("Investor"), the same written notice of default given to the Borrower as required herein; provided, that Lender's failure to give separate written notice to Investor shall not impair or invalidate any notice of default given to Borrower or give rise to any liability on the part of Lender to Investor or any other third party. Investor shall have the right to cure defaults within the time periods provided to Borrower herein, and performance of a cure by Investor or

an affiliate of Investor shall have the same effect as would like performance by Borrower. Investor's address for notice purposes is:

GSB LIHTC Investor LLC
Urban Investment Group
c/o Goldman Sachs Group
200 West Street
New York, New York 10282
Attention: Urban Investment Group Portfolio Manager

Email: gs-uir-portfolio-manager@gs.com

with a copy to:

GSB LIHTC Investor LLC
Urban Investment Group
c/o Goldman Sachs Bank USA
200 West Street
New York, NY 10282
Attention: Michael Lohr
Email: michael.lohr@gs.com

with a copy to:

gs-uir-docs@gs.com

with a copy to:

GSB LIHTC Investor LLC
Urban Investment Group
c/o Goldman Sachs Bank USA
2001 Ross Avenue #2800
Dallas, TX 75201
Attention: Michael Dalton
Email: michael.dalton@gs.com

or such other address provided Lender by Investor from time to time.

5. **Expenses of FHLB.** Borrower hereby agrees that if Borrower brings any action or proceeding against the FHLB seeking to obtain any legal or equitable relief under or arising out of the Note, the Subsidy Agreement between the Project Sponsor, Lender and the FHLB pertaining to the Note, the subsidy represented by the Note or any transaction contemplated in connection therewith, and such relief is not granted by a final decision, after any and all appeals of court of competent jurisdiction, Borrower will pay the attorneys' fees and other costs incurred by the FHLB in connection therewith. The FHLB shall be a third party beneficiary of the terms and provisions of this paragraph and shall be entitled to take any and all remedies available under applicable law to enforce this provision against Borrower.
6. **Inconsistent Provisions.** The provisions of this Rider shall supersede any conflicting provision contained in the Deed of Trust, but only to the extent of such inconsistency. No provision herein shall impair any obligation of the Project Sponsor under the Subsidy Agreement.

7. **Nonrecourse Provisions and Exceptions.** Subject to the exceptions set forth below, repayment of amounts due under the Note or the Deed of Trust, including this Rider, shall be nonrecourse to Borrower and its partners, and Lender shall look solely to the security described in the Deed of Trust and any other security agreement for repayment in the event of default hereunder. The foregoing provision shall not relieve Project Sponsor, Borrower and, if Borrower is a partnership, any general partner of Borrower of liability, subject to applicable antideficiency laws, for:

- (a) repayment of amounts due from Borrower under the Note in case of misuse of Loan proceeds as described in Section 5 of the Note or as otherwise repayable by the Project Sponsor in accordance with Section 15 of the Subsidy Agreement;
- (b) repayment of amounts due under the Note if the Project is sold, transferred or refinanced prior to the end of the Retention Period and the Project is no longer subject to the Income-Eligibility and Affordability Restrictions;
- (c) fraud or willful misrepresentation;
- (d) failure to pay taxes, assessments or similar charges that are, or are secured by, a prior lien on the Project, except to the extent this provision would result in all or any portion of the indebtedness evidenced by the Note being treated as a recourse liability under applicable Treasury Regulations;
- (e) the retention of any rental income or other income arising with respect to the Project collected by Project Sponsor or Borrower after the holder of the Note has given any notice that Borrower is in default and not applied such income to indebtedness secured by a prior lien on the Project or to expenses of ordinary operation or maintenance of the Project, to the full extent of the rental income or other income so collected and retained by Project Sponsor or Borrower;
- (f) the misapplication of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Project;
- (g) commission of waste with respect to the Project; and
- (h) breach of any environmental covenant or representation made by the Project Sponsor or Borrower relating to the Project.

8. **Three-Year Tax Credit Period.** If the Project was assisted by federal tax credits, and in the event that it is determined that Section 42(h)(6)(E)(ii) of the Internal Revenue Code is applicable to the Lender, and in the event that Lender were to take over ownership of the Project as a result of a foreclosure, Lender by accepting the Deed of Trust agrees that it will comply with the three-year extended use requirement as specified therein.

9. **Permitted Transfers.**

- (a) **Purchase Option.** Notwithstanding anything to the contrary contained in the Deed of Trust, this Rider or any other Loan Document, (i) as long as the following actions are in accordance with the specific representations made by the Member and Project Sponsor in the approved AHP Application, the execution, delivery and exercise of the option and right of first refusal set forth in Borrower's

partnership agreement or other agreement reviewed and approved by Lender and disclosed in the approved AHP Application (collectively, the "Option") and (ii) execution and delivery of Residential leases to qualified tenants shall not constitute a breach or default under the Loan Documents; provided that the Option is subject, subordinate and inferior to the liens and security interests of the Loan Documents, and that the exercise of any rights thereunder are subject to the AHP Regulations and the terms of the Loan Documents.

- (b) Replacement of General Partner. Notwithstanding anything to the contrary in this Security Instrument, in the event Borrower's limited partner exercises its rights under the Borrower's partnership agreement to replace the general partner of Borrower, then Lender shall consent to such replacement subject to the Loan Documents if (1) the replacement is approved by the FHLB; (2) the new General Partner (the "Replacement GP") is (A) Investor or one Investor Affiliate (hereinafter defined), or (B) a nonprofit entity (but not an Investor Affiliate) approved by the Investor (hereinafter defined) and such nonprofit entity and the Project meet Lender's underwriting criteria for a similar type of property in effect at the time of the replacement; (3) if the Replacement GP is not the Investor, one Investor Affiliate or a nonprofit corporation approved by the Investor, then the Replacement GP pays Lender an Assumption Fee equal to one percent of the remaining principal balance of the Note; (4) the Loan is current and there exists no event of default under the Deed of Trust or any other Loan Document, and, there exists no other event, which, with the giving of notice or the passage of time or both, would constitute an event of default under the Deed of Trust or any other Loan Document; (5) Lender receives a new lender's policy of title insurance or endorsement insuring the continued existing lien status of the Loan; and (6) the Replacement GP pays all costs relating to the transaction (credit report fees, notary fees, recording fees, escrow fees, title fees, title insurance premium, legal fees, and any other costs incurred by Lender, if any). In the event the above conditions are met, all existing terms of the Loan Documents will remain in effect. The obligations of Lender stated herein are expressly conditioned upon the assumption transaction being in compliance with the applicable law and regulations of all government agencies having jurisdiction over Lender at the time of the transfer. The provisions of this Section shall apply to the one-time replacement of the entity that is the general partner of Borrower on the date of the Deed of Trust, and it shall not apply to any other or subsequent replacement of the Replacement GP.
- (c) Transfers of Investor. Notwithstanding anything to the contrary in the Security Instrument, the transfer of ownership interests in the Borrower by the Investor shall not require the consent of the Lender and shall not constitute a default under the loan documents. Definitions. In this section, "Investor" means the limited partner or non-managing member of the Borrower.

Signature for Rider to Deed of Trust (AHP Rental Program)

TRUSTOR:

STH MAGNOLIA, LLC,
a Utah limited liability company

By: Laurie Hopkins
Name: Laurie Hopkins
Title: Executive Director