

3542238

MORTGAGE

THIS INDENTURE, made this Tenth day of March, 19 81, between

UTAH NON-PROFIT HOUSING CORPORATION, 346 West 1st South, Slat Lake City, Utah
organized and existing under the laws of Utah, a corporation and the
United States of America acting by and through the Secretary of Housing and Urban Development, Mortgagee.

WITNESSETH: That whereas the Mortgagor is justly indebted to the Mortgagee in the principal sum of One Million
Eight Hundred Sixty-One Thousand Three Hundred Dollars (\$ 1,861,300.00) evidenced by its note of
even date herewith, bearing interest from date on outstanding balance at Nine and one-fourth (9 1/4 %) per annum, said principal
and interest being payable in installments as provided in said note with a final maturity of May 1, 2022, which note is
identified as being secured hereby by a certificate thereon. Said note and all of its terms are incorporated herein by reference
and this conveyance shall secure any and all extensions thereof, however evidenced.

NOW, THEREFOR the said Mortgagor, for the better securing of the payment of the said principal sum of money and
interest and the performance of the covenants and agreements herein contained, does by these presents CONVEY, MORTGAGE,
and WARRANT unto the Mortgagee, successors or assigns, the following-described real estate situate, lying, and being in the
Section 35, Township 1 South, Range 1 West, Salt Lake Base & Meridian
in the County of Salt Lake, and the State of Utah.

Beginning at a point South 89°55'00" West 206.07 feet and North 00°02'30" West
1168.454 feet and South 89°57'30" West 448.90 feet from the Southeast corner of
Section 35, T1S, R1W, SLB & M and running thence South 89°57'30" West 352.33
feet; thence South 318.98 feet to the center of an existing irrigation ditch;
thence South 86°50'30" East 353.11 feet along said center of ditch; thence
North 00°02'30" West 338.687 feet to the point of beginning.

TOGETHER WITH a 32.0 foot wide right-of-way described as follows: Beginning
at a point South 89°55'00" West 206.07 feet and North 00°02'30" West 1168.454
feet and South 89°57'30" West 33.0 feet from the Southeast corner of said Sec-
tion 35 running thence South 89°57'30" West 460.0 feet; thence North 00°02'30"
West 32.0 feet; thence North 89°57'30" East 460.0 feet; thence South 00°02'30"
East 32.0 feet to the point of beginning.

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging, and the rents,
issues, and profits thereof; and all apparatus and fixtures of every kind in, or that may be placed in, any building now or here-
after standing on said land, and also all the estate, right, title, and interest of the said Mortgagor in and to said premises; including
but not limited to all gas and electric fixtures; all radiators, heaters, furnaces, heating equipment, steam and hot-water boilers,
stoves and ranges; all elevators and motors; all bathtubs, sinks, water closets, basins, pipes, faucets, and other plumbing fixtures;
all mantels and cabinets; all refrigerating plants and refrigerators, whether mechanical or otherwise; all cooking apparatus; all
furniture, shades, awnings, blinds, and other furnishings; all of which apparatus, fixtures, and equipment, whether affixed to the
reality or not, shall be considered real estate for the purposes hereof; and including all furnishings now or hereafter attached to
or used in, or on, the building or buildings now erected or hereafter to be erected on the lands herein described which are
necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they
were or are to be erected, and all renewals or replacements thereof or articles in substitution therefor; together with all building
materials and equipment now or hereafter delivered to said premises and intended to be installed therein;

TO HAVE AND TO HOLD the above-described premises, with the appurtenances and fixtures, unto the said Mortgagee,
successors and assigns, forever, for the purposes and uses herein set forth.

AND SAID MORTGAGOR covenants and agrees:

- 1. That it will pay the Mortgage Note at the times and in the manner provided therein;
2. That it will not permit or suffer the use of any of the property for any purpose other than the use for which the
same was intended at the time this Mortgage was executed;
3. That the Regulatory Agreement, executed by the Mortgagor and the Secretary of Housing and Urban Development,
which is being recorded simultaneously herewith, is incorporated in and made a part of this Mortgage. Upon default under the
Regulatory Agreement, the Mortgagee, at his/her options, may declare the whole indebtedness secured to be due and payable;
4. That all rents, profits and income from the property covered by this Mortgage are hereby assigned to the Mortgagee
for the purpose of discharging the debt hereby secured. Permission is hereby given to Mortgagee so long as no default exists
hereunder, to collect such rents, profits and income for use in accordance with the provisions of the Regulatory Agreement;
5. That upon default hereunder Mortgagee shall be entitled to the appointment of a receiver by any court having
jurisdiction, without notice, to take possession and protect the property described herein and operate same and collect the
rents, profits and income therefrom;

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6. That at the option of the Mortgagor the principal sum secured hereby may be reamortized on terms acceptable to the Mortgagee if a partial prepayment results from an award in condemnation in accordance with provisions of paragraph 8 herein, or from an insurance payment made in accordance with provisions of paragraph 7 herein, where there is a resulting loss of project income;

7. That the Mortgagor will keep the improvements now existing or hereafter erected on the mortgaged property insured against loss by fire and such other hazards, casualties, and contingencies, as may be stipulated by the Mortgagee, and all such insurance shall be evidenced by standard Fire and Extended Coverage Insurance Policy or policies, in amounts not less than necessary to comply with the applicable Coinsurance Clause percentage, but in no event shall the amounts of coverage be less than eighty per centum (80%) of the insurable values or not less than the unpaid balance of the Mortgage, whichever is the lesser, and in default thereof the Mortgagee shall have the right to effect insurance. Such policies shall be endorsed with standard Mortgagee Clause with loss payable to the Mortgagee, as interest may appear, and shall be deposited with the Mortgagee;

That if the premises covered hereby, or any part thereof, shall be damaged by fire or other hazard against which insurance is held as hereinabove provided, the amounts paid by any insurance company, to the extent of the indebtedness then remaining unpaid, shall be paid to the Mortgagee, and, at his/her option, may be applied to the debt or released for the repairing or rebuilding of the premises;

8. That all awards of damages in connection with any condemnation for public use or injury to any of said property are hereby assigned and shall be paid to Mortgagee, who may apply the same to payment of the installments last due under said note, and Mortgagee is hereby authorized, in the name of Mortgagor, to execute and deliver valid acquittances thereof and to appeal from any such award;

9. That it is lawfully seized and possessed of said real estate in fee simple and has good right to convey same;

10. To keep said premises in good repair, and not to do, or permit to be done, upon said premises, anything that may impair the value thereof, or of the security intended to be effected by virtue of this instrument; that it will not make any structural alterations to the building without the written consent of the Mortgagee; to pay to the Mortgagee, as hereinafter provided, until said note is fully paid, a sum sufficient to pay all taxes and special assessments that heretofore or hereafter may be lawfully levied, assessed or imposed by any taxing body upon the said land, or upon the Mortgagor or Mortgagee on account of the ownership thereof to the extent that provision has not been made by the Mortgagor for the payment of such taxes and special assessments as hereinafter provided in subparagraph 17(b);

11. In case of the refusal or neglect of the Mortgagor to make such payments, or to satisfy any prior lien or encumbrances, or to keep said premises in good repair, the Mortgagee may pay such taxes, assessments, and insurance premiums, when due, and may make such repairs to the property herein mortgaged as in the Mortgagee's discretion he/she may deem necessary for the proper preservation thereof, and any moneys so paid or expended shall become so much additional indebtedness, secured by this Mortgage, to be paid out of the proceeds of the sale of the mortgaged premises, if not otherwise paid by the Mortgagor, and shall bear interest at the rate specified in the note from the date of advance until paid, and shall be due and payable on demand;

12. It is expressly provided, however (all other provisions of this Mortgage to the contrary notwithstanding), that the Mortgagee shall not be required nor shall he/she have the right to pay, discharge, or remove any tax, assessment, or tax lien upon or against the premises described herein or any part thereof or the improvements situated thereon, so long as the Mortgagor shall, in good faith, contest the same or the validity thereof by appropriate legal proceedings brought in a court of competent jurisdiction, which shall operate to prevent the collection of the tax, assessment, or lien so contested and the sale or forfeiture of the said premises or any part thereof to satisfy the same, but in the event of a tax contest, the Mortgagor shall deposit with the Mortgagee an amount estimated by the Mortgagee sufficient to satisfy all taxes, penalties, interest, and costs which may reasonably accrue during such contest;

13. That it will not voluntarily create or permit to be created against the property subject to this Mortgage any lien or liens inferior or superior to the lien of this Mortgage and further that it will keep and maintain the same free from the claim of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on said premises;

14. That the improvements about to be made upon the premises above described and all plans and specifications comply with all municipal ordinances and regulations made or promulgated by lawful authority, and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of applicable fire rating or inspection organization, bureau, association, or office. In the event the Mortgagor shall at any time fail to comply with such rules, regulations, and ordinances which are now or may hereafter become applicable to the premises above described, after due notice and demand by the Mortgagee, thereupon the principal sum and all arrears of interest and other charges provided for herein, shall at the option of the Mortgagee become due and payable;

15. The Mortgagor covenants and agrees that so long as this Mortgage and the said note secured hereby are outstanding, it will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the mortgaged property on the basis of race, color or creed;

16. That the funds to be advanced herein are to be used in the construction of certain improvements on the lands herein described, in accordance with a building loan agreement between the Mortgagor and Mortgagee dated March 10, 19 81, which building loan agreement (except such part or parts thereof as may be inconsistent therewith) is incorporated herein by reference to the same extent and effect as if fully set forth and made a part of this Mortgage; and if the construction of the improvements to be made pursuant to said building loan agreement shall not be carried on with reasonable diligence, or shall be discontinued at any time for any reason other than strikes or lock-outs, the Mortgagee, after due notice to the Mortgagor or any subsequent owner, is hereby invested with full and complete authority to enter upon said premises, employ watchmen to protect such improvements from depredation or injury and to preserve and protect the personal property therein, and to continue

any and all outstanding contracts for the erection and completion of said buildings, to make and enter into any contracts and obligations wherever necessary, either in his/her own name or in the name of the Mortgagor, and to pay and discharge all debts, obligations, and liabilities incurred thereby. All such sums so advanced by the Mortgagee (exclusive of advances of the principal of the indebtedness secured hereby) shall be added to the principal of the indebtedness secured hereby and shall be secured by this Mortgage and shall be due and payable on demand with interest at the rate specified in the note. The principal sum and other charges provided for herein shall, at the option of the Mortgagee or holder of this Mortgage and the note securing the same, become due and payable on the failure of the Mortgagor to keep and perform any of the covenants, conditions, and agreements of said building loan agreement. This covenant shall be terminated upon completion of the improvements to the satisfaction of the Mortgagee and the making of the final advance as provided in said building loan agreement;

17. That, together with, and in addition to, the payments of interest or of principal and interest payable under the terms of the note secured hereby the Mortgagor, will pay to the Mortgagee on each payment date hereof, until the said note is fully paid the following sums:

- (a) A sum equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by this Mortgage, plus the premiums that will next become due and payable on policies of fire and other property insurance covering the premises covered hereby, plus water rates, taxes, and assessments next due on the premises covered hereby (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one (1) month prior to the date when such ground rents, premiums, water rates, taxes and assessments will become delinquent, such sums to be held by Mortgagee to pay said ground rents, premiums, water rates, taxes and special assessments.
- (b) All payments mentioned in the preceding subsection of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid each month in a single payment to be applied by Mortgagee to the following items in the order set forth:
 - (I) ground rents, taxes, special assessments, water rates, fire and other property insurance premiums;
 - (II) interest on the note secured hereby;
 - (III) amortization of the principal of said note.

18. Any excess funds accumulated under (a) of the preceding paragraph remaining after payment of the items therein mentioned shall be credited to subsequent monthly payments of the same nature required thereunder; but if any such item shall exceed the estimate therefor the Mortgagor shall without demand forthwith make good the deficiency. Failure to do so before the due date of such item shall be a default thereunder. If the property is sold under foreclosure or is otherwise acquired by the Mortgagee after default, any remaining balance of the accumulations under (a) of the preceding paragraph shall be credited to the principal of the Mortgage as of the date of commencement of foreclosure proceedings or as of the date the property is otherwise acquired; and

19. That the Mortgagee shall have the right to inspect the mortgaged premises at any reasonable time.

20. That so long as the Mortgage and Note secured hereby are outstanding, it will not (a) rent dwelling accommodations in the mortgaged premises in excess of the rates approved by the Mortgagee or for periods of less than one month or in excess of three years; (b) rent the premises as an entirety; (c) rent the premises or any part thereof to any person for the purpose of sub-leasing; (d) rent the premises or permit its use for hotel or transient purposes; (e) require of any tenant as a condition of occupancy life-lease contracts, fines or other payments over and above those for rents, utilities, and collateral services.

21. IN THE EVENT of default in making any monthly payment provided for herein or in the note secured hereby for a period of thirty (30) days after the due date thereof, or in case of a breach of any other covenant herein stipulated, then the whole of said principal sum remaining unpaid together with accrued interest thereon, shall, at the election of the Mortgagor, without notice, become immediately due and payable, in which event the Mortgagee shall have the right immediately to foreclose this Mortgage;

22. AND IN CASE OF FORECLOSURE of this Mortgage by said Mortgagee in any court of law or equity, a reasonable sum shall be allowed for the solicitor's fees of the complainant, not to exceed in any case *five per centum* (5%) of the amount of the principal indebtedness found to be due, and the stenographer's fees of the complainant in such proceeding, and costs of minutes of foreclosure, master's fees, and all other costs of suit, and also for all outlays for documentary evidence and the cost of a complete abstract of title for the purpose of such foreclosure; and in case of any other suit, or legal proceeding, instituted by the Mortgagee to enforce the provisions of this Mortgage or in case of any suit or legal proceeding wherein the Mortgagee shall be made a party thereto by reason of this Mortgage, its costs and expenses, and the reasonable fees and charges of the attorneys or solicitors of the Mortgagee, so made parties, for services in such suit or proceedings, shall be further lien and charge upon said premises under this Mortgage, and all such expenses shall become so much additional indebtedness secured hereby and be allowed in any decree foreclosing this Mortgage;

23. AND THERE SHALL BE INCLUDED in any decree foreclosing this Mortgage and be paid out of the proceeds of any sale made in pursuance of any such decree: (1) All the costs of such suit or suits, advertising, sale, and conveyance, including attorney's, solicitors', and stenographers' fees, outlays for documentary evidence and cost of said abstract and examination of title; (2) All the moneys advanced by the Mortgagee, if any, for any purpose authorized in the mortgage, with interest on such advances at the rate specified in the note, from the time such advances are made; (3) All the accrued interest remaining unpaid on the indebtedness hereby secured; (4) All the said principal money remaining unpaid. The over-plus of the proceeds of sale, if any, shall then be paid as the court may direct;

24. A RECONVEYANCE of said premises shall be made by the Mortgagee to the Mortgagor on full payment of the indebtedness aforesaid, the performance of the covenants and agreements herein made by the Mortgagor, and the payment of the sums stipulated under the terms of the said note.

25. IT IS EXPRESSLY AGREED that no extension of the time for payment of the debt hereby secured given by the Mortgagee to any successor in interest of the Mortgagor shall operate to release, in any manner, the original liability of the Mortgagor;

26. The Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on its own behalf and on behalf of each and every person except decree or judgment creditors of the Mortgagor acquiring any interest in or title to the premises subsequent to the date of this Mortgage;

27. THE COVENANTS HEREIN CONTAINED shall bind, and the benefits and advantages shall inure to, the successors and assigns of the respective parties hereto. Wherever used, the singular number shall be plural, the plural the singular, and the use of any gender shall be applicable to all genders.

28. The Mortgagor, to the extent permitted by law, hereby waives the benefit of any and all homestead or exemption laws and of any right to a stay, or redemption, or the benefit of any moratorium law or laws. Failure of the Mortgagee to exercise any right or remedy it may have on account of any default hereunder shall not be construed as a waiver of any such default or of any subsequent default nor prevent the future exercise of the same by reason of such default or of any subsequent default.

IN WITNESS WHEREOF, the Mortgagor has caused its corporate seal to be hereunto affixed and these presents to be signed by its President and attested by its Secretary on the day and year first above written, pursuant to authority given by resolution duly passed by Board of Directors of said corporation.

UTAH NON-PROFIT HOUSING CORPORATION

[Corporate Seal]

By Jerald H. Merrill
Jerald H. Merrill, President

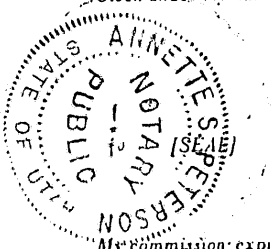
Attest: Robert Lewis
Robert Lewis, Secretary

State of Utah
County of Salt Lake

750
KATHLEEN NIXON
RECORDER
SALT LAKE COUNTY,
UTAH
MAR 10 12 24 PM '91
SALT LAKE COUNTY
CLERK

I, Annette Peterson, a Notary Public, in and for said County, in the State aforesaid, do hereby certify that Jerald H. Merrill and Robert Lewis personally known to me to be the same persons whose names are respectively as President and Secretary of Utah Non-Profit Housing Corp., a corporation of the State of Utah, subscribed to the foregoing instrument, appeared before me in person and severally acknowledged that they, being thereunto duly authorized, signed, sealed with corporate seal, and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 10th day of March, 19 81.



Annette Peterson
Notary Public

STATE OF UTAH
Mortgage
TO
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Dated 10, 19 81
Recorded at the request of —
Page 1, in Book 5223, records of Salt Lake County, Utah.
Recorder.
Deputy.
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