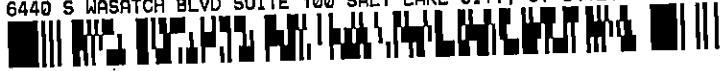


After Recording, please return to:

Vice President, Multifamily
Utah Housing Corporation
2479 S. Lake Park Blvd.
West Valley City, Utah 84120

13881077 B: 11300 P: 5853 Total Pages: 7
01/31/2022 01:51 PM By: ndarmiento Fees: \$40.00
SUBORD - SUBORDINATION
Rashelle Hobbs, Recorder, Salt Lake County, Utah
Return To: LEE DIAL
6440 S WASATCH BLVD SUITE 100 SALT LAKE CITY, UT 84121



Tax Parcel I.D. No.: 16-06-205-027

SUBORDINATION AGREEMENT

This Subordination Agreement (“Agreement”) is made and entered into as of the 31 day of January, 2022, by and among **STH MAGNOLIA, LLC**, a Utah limited liability company, its successors and assigns (the “Owner”), **OLENE WALKER HOUSING LOAN FUND** (the “Lender”), and **UTAH HOUSING CORPORATION**, a public corporation of the State of Utah (“Utah Housing”).

RECITALS

A. The Owner is the ground lessee of that certain real property located in Salt Lake County, State of Utah, pursuant to the terms of a Ground Lease dated December 20, 2019, by and between Lender, as the lessor, and Owner, as the lessee, which real property is more particularly described in Exhibit “A” attached hereto (the “Property”). The Owner has constructed or will construct certain residential housing and other improvements on the Property known as The Magnolia (the “Project”).

B. The Lender has made a loan to the Owner in the amount of One Million Dollars (\$1,000,000.00) (the “Loan”) for purposes of financing the development of the Property. The Loan is evidenced by that certain Trust Deed Note dated January 29, 2020 (the “Note”), and is secured by, among other things, a Trust Deed, dated January 29, 2020 (the “Trust Deed”), and recorded in the official records of the Salt Lake County Recorder on January 29, 2020, as Entry No. 13181972, in Book 10890, beginning at Page 4482.

C. As part of the permanent financing of the Project, the Owner also intends to use federal low-income housing tax credits (“Tax Credits”) pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (“Section 42”). In order for the Owner to qualify for Tax Credits, the Owner must, among other things, receive a Form 8609 from Utah Housing for the Project. Utah Housing may issue a Form 8609 only if the Owner satisfies certain requirements under Section 42.

D. To fulfill one of the requirements for Utah Housing to issue a Form 8609 for the Project, Utah Housing and the Owner have entered into that certain (i) Low-Income Housing Credit Commitment Agreement and Declaration of Restrictive Covenants, dated January 6, 2020, and recorded January 29, 2020, as Entry No. 13182002, in Book 10890, beginning at Page 4767,

(ii) Amendment to Low-Income Housing Credit Commitment Agreement and Declaration of Restrictive Covenants, dated March 3, 2021, and recorded March 10, 2021, as Entry No. 13592519, in Book 11133, beginning at Page 7756, and (iii) Second Amendment to Low-Income Housing Credit Commitment Agreement and Declaration of Restrictive Covenants, dated August 12, 2021, and recorded August 23, 2021, as Entry No. 13752042, in Book 11226, beginning at Page 3161 (collectively, the agreements and amendments thereto as identified in (i), (ii), and (iii) of this Recital D. are referred to herein as the “Extended Use Agreement”).

E. The Extended Use Agreement provides in Section 10 that, notwithstanding the termination of the extended use period (as such term is defined in Section 9 thereof, the “Extended Use Period”), the Owner shall not evict or terminate the tenancy (other than for good cause) of an existing low-income tenant of any low-income unit in the Project or increase the gross rent with respect to a low-income unit, not otherwise permitted under Section 42, before the close of the three-year period following such termination of the Extended Use Period.

F. Because the Trust Deed was recorded before the Extended Use Agreement was recorded, (i) the Owner is obligated under the Extended Use Agreement to obtain, and (ii) Utah Housing cannot issue a Form 8609 for the Project until the Owner obtains, an agreement in the form hereof from the Lender pursuant to which the Lender shall agree to be bound by the provisions of Section 10 of the Extended Use Agreement upon any foreclosure (or instrument in lieu of foreclosure) of the Property, in accordance with the terms of this Agreement.

G. Because the Lender recognizes that the ability of the Owner to qualify for Tax Credits is essential to the viability of the Project and the ability of the Owner to repay the Loan, the Lender is willing to enter into this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. The Lender hereby agrees that the lien of the Trust Deed is subordinate to the Extended Use Agreement and that it shall be bound by the terms and conditions of Section 10 of the Extended Use Agreement in the event it acquires title to the Project by foreclosure or deed in lieu of foreclosure.

2. The Lender agrees that the covenants contained in Paragraph 1 above shall unconditionally be and remain at all times an encumbrance on the Property, prior and superior to the lien or charge of the Trust Deed, and be binding upon all successor beneficiaries under the Trust Deed.

3. This Agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Trust Deed to the Extended Use Agreement.

4. This Agreement will be governed by, and construed and enforced in accordance with, the laws of the State of Utah.

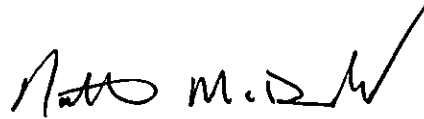
5. This Agreement may be signed in multiple counterparts with the same effect as if all signatories had executed the same instrument.

[Remainder of page intentionally blank; signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

THE LENDER:

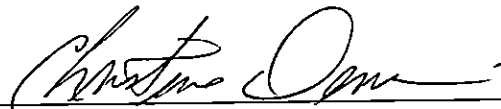
UTAH DEPARTMENT OF WORKFORCE SERVICES
HOUSING AND COMMUNITY DEVELOPMENT
DIVISION, OLENE WALKER HOUSING LOAN FUND



By: Nathan McDonald
Its: Deputy Directory
Department of Workforce Services

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

The foregoing instrument was acknowledged before me this 26th day of January, 2022,
by Nathan McDonald, Deputy Director of the Utah Department of Workforce Services.



NOTARY PUBLIC
Residing at: SLC
My commission expires: 08/22/2023

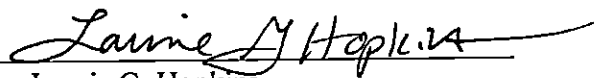


THE OWNER:

STH MAGNOLIA, LLC,
a Utah limited liability company

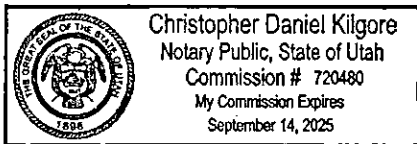
By: STH Magnolia Holdings, LLC,
a Utah limited liability company
Its: Manager

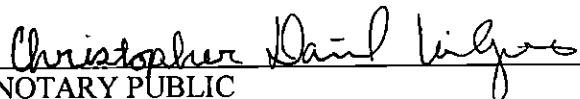
By: Shelter the Homeless, Inc.,
a Utah nonprofit corporation,
Its: Manager


By: Laurie G. Hopkins
Its: Executive Director

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

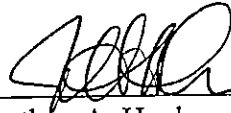
The foregoing instrument was acknowledged before me this 31 day of January, 2022, by Laurie G. Hopkins, the Executive Director of Shelter the Homeless, Inc., a Utah nonprofit corporation, which is the Manager of STH Magnolia Holdings, LLC, a Utah limited liability company, which is the Manager of STH Magnolia, LLC, a Utah limited liability company.




NOTARY PUBLIC
Residing at:
My Commission Expires: 9/14/2025

UTAH HOUSING:

UTAH HOUSING CORPORATION, a Utah public corporation



By: Jonathan A. Hanks
Its: Senior Vice President & COO

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

The foregoing instrument was acknowledged before me this 5th day of January, 2022, by Jonathan A. Hanks, the Senior Vice President & COO of Utah Housing Corporation, a Utah public corporation.



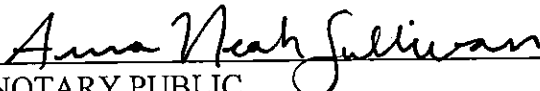

NOTARY PUBLIC
Residing at: Salt Lake
My commission expires: 7/31/2022

EXHIBIT "A"

Legal Description

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

PARCEL 1:

Lot 1, VIOLIN SCHOOL COMMON SUBDIVISION, according to the official plat thereof, as 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.

PARCEL 1C:

A non-exclusive easement, appurtenant to Parcel 1, for ingress and egress, as defined in that certain Declaration of Access Easement recorded December 12, 2019, as Entry No. 13145124 in Book 10871 at Page 4531.

Tax Id. No.: 16-06-205-027