

After Recording, please return to:

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

RECORDED

JUL 02 2019

CITY RECORDER Tax Parcel I.D. No.: 15-01-377-001-000

13022443
7/3/2019 8:05:00 AM \$40.00
Book - 10799 Pg - 4087-4094
RASHELLE HOBBS
Recorder, Salt Lake County, UT
INVEST TITLE SRVS SLC
BY: eCASH, DEPUTY - EF 8 P.

SUBORDINATION AGREEMENT

This Subordination Agreement ("Agreement") is made and entered into as of the 1 day of July, 2019, by and among RIBBON PROPERTIES LLC, a Utah limited liability company, its successors and assigns ("Owner"), REDEVELOPMENT AGENCY OF SALT LAKE CITY, a public agency (the "Lender"), and UTAH HOUSING CORPORATION, a public corporation of the State of Utah ("Utah Housing").

RECITALS

A. The Owner is the owner of certain real property located in Salt Lake County, State of Utah, which property is more particularly described in Exhibit A attached hereto (the "Property"). The Owner has constructed certain residential housing and other improvements on the Property (the "Project").

B. The Lender has made a loan to the Owner in original principal balance of Five Hundred Thousand and No/100 Dollars (\$500,000.00) (the "Loan") for the purpose of financing the acquisition of the Property. The Loan is evidenced by that certain Loan Agreement dated as of June 30, 2017 ("Loan Agreement") and Secured Promissory Note dated as of June 30, 2017 (the "Note"), each as amended by the First Amendment to Loan Documents dated on or about the date hereof, and secured by, among other things, a Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing dated as of June 30, 2017, executed by the Owner, as Trustor, naming Kimberly K. Chytraus, as Trustee, and Lender, as Beneficiary, and recorded in the official real estate records of the Salt Lake County Recorder's Office on July 3, 2017 as Entry No.12569067, in Book 10574 at Pages 5907-5923, and as amended by the First Amendment to Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated and recorded on or about the date hereof (the "Deed of Trust"). As a condition of the Loan, Owner agreed that the Property would be used for certain uses, as more particularly described in the Restrictive Use Agreement dated as of June 30, 2017 between Lender and Owner, recorded against the Property as Entry No. 12569066, in Book 10574, beginning at Page 5900, as amended by that certain First Amendment to Restrictive Use Agreement dated on or about the date hereof (together, as amended, the "Restrictive Use Agreement"). The Loan Agreement, the Note, the Deed of Trust, the Restrictive Use Agreement, and all other documents evidencing or securing the Loan are hereinafter collectively referred to as the "Loan Documents."

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 ("Section 42"). In order for the Owner to qualify for Tax Credits, the Owner must,

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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 Low-Income Housing Credit Commitment Agreement and Declaration of Restrictive Covenants dated June 18, 2019 (the "Extended Use Agreement") and recorded in the official real estate records of the Salt Lake County Recorder's Office as Entry No. 13022325, in Book 10799, at Page 3645 which encumbers the Property and the Project.

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 Deed of Trust 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 will not 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 in 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 (a) the lien of the Deed of Trust is subordinate to the obligation of the Owner under Section 10 of the Extended Use Agreement and (b) that it shall not evict or terminate the tenancy (other than for good cause) of an existing low-income tenant of any low-income unit located 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 termination of the Extended Use Period by reason of any foreclosure (or instrument in lieu of foreclosure) of the Property by the Lender.

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 Deed of Trust, and be binding upon all successor beneficiaries under the Deed of Trust.

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

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BK 10799 PG 4088

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

5. REPRESENTATION REGARDING ETHICAL STANDARDS FOR CITY OFFICERS AND EMPLOYEES AND FORMER CITY OFFICERS AND EMPLOYEES. Lender and Owner each represent that it has not: (1) provided an illegal gift or payoff to a Salt Lake City Corporation ("City") officer or employee or former City officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

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

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JK

WHEN RECORDED, RETURN TO:

[SIGNATURES FOLLOW]

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IN WITNESS WHEREOF, the Parties have caused this Subordination to be duly executed as of the date first above written.

AGENCY:

REDEVELOPMENT AGENCY OF SALT LAKE CITY

RECORDED

JUL 02 2019

CITY RECORDER

Approved as to legal form:

Kimberly K. Chytraus
Kimberly K. Chytraus, Senior City Attorney

By: Patrick W. Leary
Jacqueline M. Biskupski, Executive Director
Acting Executive Director

ATTEST:

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

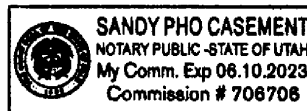
Sandy Pho Casement
CITY RECORDER
Assistant



The foregoing instrument was acknowledged before me this 2 day of July, 2019, by ~~Jacqueline M. Biskupski, Executive Director~~ of REDEVELOPMENT AGENCY OF SALT LAKE CITY, LLC, a public entity.

Patrick Leary
Acting Executive Director

Sandy Pho Casement
NOTARY PUBLIC
Residing at: Salt Lake City
My Commission Expires: 6/10/2023



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Signature Page to Subordination
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OWNER:

RIBBON PROPERTIES LLC, a Utah limited liability company

By: H.A. Places LLC, a Utah limited liability company

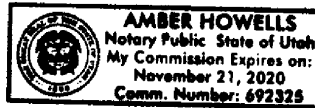
By: Housing Assistance Management Enterprise, a Utah nonprofit corporation, its managing member

By: [Signature]
Name: Daniel Nackerman
Title: President

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

The foregoing instrument was acknowledged before me this 1 day of July, 2019, by Daniel Nackerman, as president of Housing Assistance Management Enterprise, the managing member of H.A. Places LLC, a Utah limited liability company, which is the managing member of Ribbon Properties LLC, a Utah limited liability company.


Amber Howells
NOTARY PUBLIC
Residing at: Salt Lake City
My Commission Expires: November 21, 2020



Signature Page to Subordination
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UTAH HOUSING:

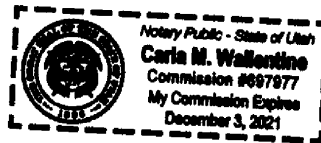
UTAH HOUSING CORPORATION, a Utah public corporation

By 
Name: Jonathan A. Hanks
Title: Senior Vice President & COO

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

The foregoing instrument was acknowledged before me this 1 day of July, 2019, by Jonathan A. Hanks, as senior vice president and COO of Utah Housing Corporation, a Utah public corporation.


NOTARY PUBLIC
Residing at: _____
My Commission Expires: _____



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Signature Page to Subordination
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EXHIBIT A

Description of the Property

That certain real property located in Salt Lake County, Utah more particularly described as follows:

PARCEL 1: (15-01-377-001)

THE NORTH HALF OF LOT 4, BLOCK 29, PLAT "A", SALT LAKE CITY SURVEY, ACCORDING TO THE OFFICIAL PLAT THEREOF, RECORDED IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF SALT LAKE, STATE OF UTAH.

PARCEL 2:

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

PARCEL3

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

The property legally described above is located at the following street address:
525 South 500 West, Salt Lake City, Utah 84101

Tax Parcel No. 15-01-377-001-000

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*Exhibit A to Subordination
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