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After Recording, please return to

Tacy A. Hartman, Esq.  
c/o Van Cott, Bagley, Cornwall  
& McCarthy  
P.O. Box 45340  
Salt Lake City, Utah 84145-0340

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11/07/2002 09:30 AM 20.00  
Book - 8681 Pg - 2597-2602  
GARY W. DTT  
RECORDER, SALT LAKE COUNTY, UTAH  
FIRST AMERICAN TITLE  
BY: ELF, DEPUTY - WE 6 P.

4078508

Tax Parcel I.D. Nos.: 15-03-260-012-0000,  
15-03-260-013-0000, 15-03-260-014-0000,  
15-03-260-015-0000, 15-03-260-034-0000,  
15-03-260-035-0000, 15-03-260-037-0000

039

### SUBORDINATION AGREEMENT

This Subordination Agreement ("Agreement") is effective as of the 31st day of October, 2002, by and between OLENE WALKER HOUSING TRUST FUND (the "Subordinated Lender") and UTAH COMMUNITY REINVESTMENT CORPORATION ("UCRC").

#### RECITALS

A. WESTGATE B.C. ASSOCIATES LLC ~~LLC~~, a Utah limited liability company ("Borrower") 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 and by this reference incorporated herein (the "Subject Property").

B. Borrower has requested that UCRC lend Borrower the sum of NINE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$950,000) (the "Subject Property Loan") for permanent financing of the Subject Property, and the improvements thereon, such obligation to be evidenced by a certain Promissory Note (the "Note") dated as of even date herewith, and secured by, among other things, first liens covering, respectively, the Subject Property, evidenced by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the "Deed of Trust") dated as of even date herewith, and executed by Affordable in favor of UCRC. The Note, Deed of Trust, and all other documents evidencing or securing the Subject Property Loan are hereinafter collectively referred to as the "Loan Documents."

C. Subordinated Lender is the beneficiary under that certain Deed of Trust (the "Subordinated Lender Trust Deed") dated October 31, 2002, executed by Borrower, as Mortgagor and recorded in the official records of the Recorder's Office of Salt Lake County, State of Utah (the "Salt Lake Recorder's Office"), on November 1, 2002, as Entry No. 8409191 in Book 8678 at Page 6365. The Subordinated Lender Trust Deed, together with that certain Deed Restriction dated October 31, 2002 executed in connection therewith and recorded in the official records of the Salt Lake Recorder's Office as Entry No. 8409192 in Book 8678 at Page 6370 (the "Deed Restriction") encumbers the Subject Property and secures indebtedness to the Subordinated Lender under that certain Promissory Note in the principal sum of Four hundred seventy-five THOUSAND AND NO/100 DOLLARS (\$475,000), dated on or about October 31, 2002 (the "Subordinated Lender Note"). The Subordinated Lender Note, the Subordinated Lender Trust Deed, the Deed

Restriction, and all other documents evidencing or securing the Subordinated Lender Note are hereinafter collectively referred to as the "Subordinated Lender Loan Documents."

D. In connection with the Subject Property Loan to Borrower, Borrower has agreed to procure this Agreement to be executed by the Subordinated Lender and delivered to UCRC.

E. It is a condition precedent to UCRC making the Subject Property Loan that the Subject Property Loan shall be and remain at all times prior and superior to any indebtedness owed by Borrower to Subordinated Lender, and that the Deed of Trust and the security interests and all other rights granted under the Loan Documents shall be and remain at all times a lien or charge upon the Subject Property prior and superior to the lien or charge of the Subordinated Lender Trust Deed, the Deed Restriction and all other Subordinated Lender Loan Documents, in accordance with the terms of this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. That said Loan Documents securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the Subordinated Lender Trust Deed and the Deed Restriction.

2. That Lender would not make its loan above-described or disburse funds thereafter without this subordination agreement.

3. This agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Subordinated Lender Trust Deed and the Deed Restriction to the lien or charge of the Loan Documents and shall supersede and cancel, but only insofar as would affect the priority between the documents hereinbefore specifically described, any prior agreements as to such subordination.

Subordinated Lender declares, agrees, and acknowledges that:

a. UCRC may without affecting the subordination of the Subordinated Lender Loan Documents (1) release or compromise any obligation in the Loan Documents, (2) release its liens in, or surrender, release or permit any substitution or exchange of all or any part of any properties securing repayment of the Note or (3) retain or obtain a lien in any property to further secure payment of the Note.

b. It intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Subordinated Lender Trust Deed and the Deed Restriction in favor of the lien or charge upon said land in the Loan Documents, and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made, and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.

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c. An endorsement has been placed upon the note secured by the Subordinated Lender Trust Deed and the Deed Restriction that said deed of trust has by this instrument been subordinated to the lien or charge of the Loan Documents.

4. All notices expressly provided hereunder to be given shall be in writing and shall be (i) hand-delivered, effective upon receipt, (ii) sent by United States Express Mail or by private overnight courier, effective upon receipt, or (iii) served by certified mail. Any such notice or demand served by certified mail, return receipt requested, shall be deposited in the United States mail, with postage thereon fully prepaid and addressed to the party so to be served at its address stated below or at such other address of which said party shall have theretofore notified in writing, as provided above, the party giving such notice. Service of any such notice or demand so made shall be deemed effective on the day of actual delivery as shown by the addressee's return receipt or the expiration of three (3) business days after the date of mailing, which ever is the earlier in time. Notices to be served hereunder shall be addressed to the appropriate address set forth below, or at such other place as the parties may from time to time designate in writing by ten (10) days prior written notice thereof:

If to Subordinated Lender:

State of Utah and the Utah State Department of Community  
and Economic Development, Trustee of the Olene Walker  
Housing Trust Fund  
2110 State Office Building  
Salt Lake City, Utah 84114  
Attn: Loans Receivable

With a copy to:

Olene Walker Housing Trust Fund  
324 South State Street, #500  
Salt Lake City, Utah 84114-9302  
Attn: SCSO Director

If to UCRC:

UTAH COMMUNITY REINVESTMENT  
CORPORATION  
Attn: Steven L. Graham, President  
475 East 200 South, Suite 120  
Salt Lake City, Utah 84111

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

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

SUBORDINATED LENDER: STATE OF UTAH AND THE UTAH STATE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, TRUSTEE OF THE OLENE WALKER HOUSING TRUST FUND

By:   
Its: Division Director  
Finance Sq

UCRC: UTAH COMMUNITY REINVESTMENT CORPORATION, a Utah non-profit corporation

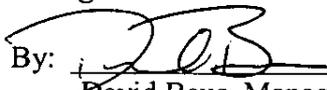
By:   
Its: President

ACKNOWLEDGED AND CONSENTED to as of this 31<sup>st</sup> day of October, 2002.

**WESTGATE B.C. ASSOCIATES LLC**, a Utah limited liability company ("Borrower")

By: **WESTGATE B.C. MANAGEMENT LLC**, a Utah limited liability company  
Its: Manager

By: **B.C. Development Group, LLC**, a Utah limited liability company  
Its: Manager

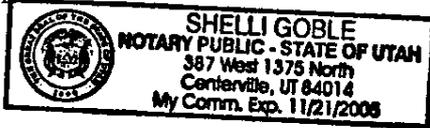
By:   
David Baus, Manager

3K 8681 PG2600

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

*Finance*

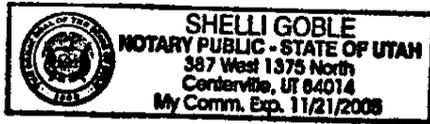
The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of October, 2002, by Todd Hantel who, being duly sworn, did say that he is the Director of the Division of Community Development, State of Utah, the Trustee of the Olene Walker Housing Trust Fund and that the foregoing instrument was signed on behalf of the agency and the State of Utah by statutory authority, and that the aforesaid agency executed the same.



*Shelli Goble*  
\_\_\_\_\_  
Notary Signature and Seal

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

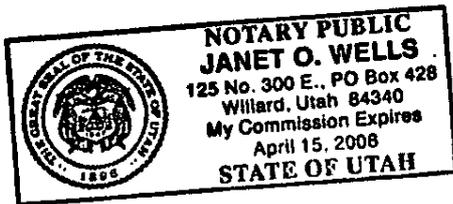
The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of October, 2002, by David Baus, the Manager of B.C. DEVELOPMENT GROUP, LLC, a Utah limited liability company, the Manager of WESTGATE B.C. MANAGEMENT LLC, a Utah limited liability company, the Manager of WESTGATE B.C. ASSOCIATES LLC, a Utah limited liability company.



*Shelli Goble*  
\_\_\_\_\_  
Notary Signature and Seal

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

The foregoing instrument was acknowledged before me this 31<sup>st</sup> day of October, 2002, by Steven Graham, the President of Utah Community Reinvestment Corporation.



*Janet O. Wells*  
\_\_\_\_\_  
Notary Signature and Seal

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EXHIBIT A

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(Description of Subject Property)

PROPERTY located in Salt Lake County, State of Utah, more particularly described as follows:

Beginning at the Southeast Corner of Lot 1, Block 2, IRVING PARK ADDITION, Salt Lake City, Utah Survey being at the intersection of the North right-of-way line of 300 South Street and the West right-of-way- line of Foss Avenue, said point being located South 89°58'07" West 33.00 feet along monumented line and North 00°04'23" West 49.00 feet from the Salt Lake City Survey Monument at the intersection of 300 South Street and Foss Avenue; running thence South 89°58'07" West 129.59 feet (129.50 feet by record) along said North right-of-way line to the Southwest corner of Lot 5 of said Block 2; thence North 00°03'58" West 455.87 feet (454.75 feet by record) along the West line of said Lot 5 and then the centerline of a vacated alley to the South boundary line of the Park Willows Condos, Parcel No. 1; thence North 89°58'19" East 129.53 feet (129.50 by record) along said South boundary line to the West right-of-way line of Foss Avenue; thence South 00°04'23" East 455.86 feet (454.75 feet by record) along said right-of-way line to the point of beginning.