

Execution Copy

Transaction No. \_\_\_\_\_

13064508  
8/30/2019 3:54:00 PM \$40.00  
Book - 10824 Pg - 2736-2755  
RASHELLE HOBBS  
Recorder, Salt Lake County, UT  
COTTONWOOD TITLE  
BY: eCASH, DEPUTY - EF 20 P.

**WHEN RECORDED, RETURN TO:**

Zions Bancorporation, N.A.  
dba Zions First National Bank  
Enterprise Loan Operations-UT RDWG 1970  
PO Box 25007  
Salt Lake City, UT 84125-0007  
CT-112421-CAF

**SUBORDINATION AGREEMENT  
(MODA Union Apartments)**

TIN 21-25-251-033

**THIS SUBORDINATION AGREEMENT** (this "Agreement") dated as of August 30, 2019 (the "Closing Date"), is made by and among the OLENE WALKER HOUSING LOAN FUND ("First Junior Lender"), JF UNION MEMBER, LLC, a Utah limited liability company ("Second Junior Lender"), STRATEGIC BUILDERS, LLC, a Utah limited liability company ("Third Junior Lender") (First Junior Lender, Second Junior Lender, and Third Junior Lender are, collectively the "Junior Lenders" and each, a "Junior Lender"), and ZIONS BANCORPORATION, N.A., as administrative agent for the benefit of itself and the ratable benefit of all Lenders now or hereafter parties to the Loan Agreement – Taxable (defined hereinafter), and its successors and assigns ("Taxable Loan Lender"), and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, in its capacity as the bondholder representative and trustee under and pursuant the Trust Indenture (as defined below) for the benefit of the bondholders ("Tax-Exempt Loan Lender"; and with the Taxable Loan Lender, collectively, the "Senior Lender").

**RECITALS:**

A. Utah Housing Corporation, an independent body politic and corporate constituting a public corporation organized and existing under the laws of the State of Utah ("Issuer") has issued that certain \$23,900,000.00 Utah Housing Corporation Multifamily Housing Revenue Bond (Moda Union Apartments Project) Series 2019 (the "Bond") under that certain Indenture of Trust dated as of even date herewith (the "Trust Indenture"), which is made by and among Issuer, Zions Bancorporation, National Association, as trustee ("Bond Trustee"), and Zions Bancorporation, National Association, as the bondowner representative (the "Bondowner Representative").

B. Pursuant to that certain Loan Agreement dated as of even date herewith (the "Bond Loan Agreement") made by and among Issuer, Bondowner Representative and Bond Trustee, Issuer agreed to cause Bond Trustee to lend to JF Union Partners, LLC, a Utah limited liability company ("Borrower") the proceeds of the sale of the Bond (the "Bond Loan") to enable Borrower to finance, in part, the construction of low-income residential apartments, and Bondowner Representative has agreed to purchase the Bond.

C. In connection with the Bond Loan, Borrower executed and delivered to Issuer that certain Promissory Note in the amount of \$23,900,000.00 (the "Bond Note").

D. Borrower is also a party to that certain Construction Loan Agreement of even date herewith made with Taxable Loan Lender, as administrative agent, and Morgan Stanley Bank, N.A., as lender (the "Loan Agreement - Taxable"), under which Borrower borrowed an additional \$10,935,000.00 (the "Taxable Loan") (the Loan Agreement – Taxable and the Bond Loan Agreement are collectively referred to herein as the "Senior Loan Agreements"; and the Bond Loan and the Taxable Loan are collectively referred to herein as the "Senior Loan").

E. In connection with the Taxable Loan, Borrower executed and delivered to Taxable Loan Lender, as administrative agent, that certain Promissory Note in the amount of \$10,935,000.00 (the "Taxable Note"; and with the Bond Note, collectively, the "Senior Notes").

F. The Senior Loan is evidenced by the Senior Notes, which are secured by, among other things, the Senior Security Instrument (as defined herein), *pari passu*, encumbering the Property, and will be advanced to Borrower pursuant to the Senior Loan Documents (as defined below).

G. First Junior Lender is making a loan (the "First Junior Loan") to Borrower in the original principal amount of One Million Dollars (\$1,000,000), which First Junior Loan is evidenced by a certain promissory note dated as of the Closing Date made by Borrower to First Junior Lender (the "First Junior Note") and secured by, the First Junior Security Instrument (as defined herein) encumbering the Property.

H. Second Junior Lender is making a loan (the "Second Junior Loan") to Borrower in the original principal amount of Three Hundred Thousand Dollars (\$300,000), which Second Junior Loan is evidenced by a certain promissory note dated as of the Closing Date made by Borrower to Second Junior Lender (the "Second Junior Note") and secured by, the Second Junior Security Instrument (as defined herein) encumbering the Property.

I. Third Junior Lender is making a loan (the "Third Junior Loan") to Borrower in the original principal amount of Two Hundred Fifty Thousand Dollars (\$250,000), which Third Junior Loan is evidenced by a certain promissory note dated as of the Closing Date made by Borrower to Third Junior Lender (the "Third Junior Note") and secured by, the Third Junior Security Instrument (as defined herein) encumbering the Property. (The First Junior Loan, Second Junior Loan and Third Junior Loan are collectively referred to herein as the "Junior Loans"; and the First Junior Security Instrument, the Second Junior Security Instrument and the Third Junior Security Instrument are collectively referred to herein as the "Junior Security Instrument"). The First Junior Note, the Second Junior Note and the Third Junior Note are collectively, the "Junior Notes".

J. The Senior Security Instrument is intended to be recorded in the Official Records ("Recording Office") of Salt Lake County, Utah. The First Junior Security Instrument is intended to be recorded in the Recording Office immediately following the recording of the Senior Security Instrument. The Second Junior Security Instrument is intended to be recorded in the Recording Office immediately following the recording of the First Junior Security Instrument. The Third

Junior Security Instrument is intended to be recorded in the Recording Office immediately following the recording of the Second Junior Security Instrument.

K. As a condition to the making of the Senior Loan, Senior Lender requires that First Junior Lender, Second Junior Lender and Third Junior Lender execute and deliver this Agreement, subordinating the liens of the Junior Loans to the Senior Security Instrument.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce the making of the Senior Loan and to induce Senior Lender to consent to the Junior Loans, Junior Lenders hereby agree as follows:

1. **Definitions.** Capitalized terms used but not defined in this Agreement shall have the meanings ascribed thereto in the Senior Security Instrument. As used in this Agreement, the terms set forth below shall have the respective meanings indicated:

“Bankruptcy Proceeding” means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower, any guarantor of any of the Senior Indebtedness, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.

“Casualty” means the occurrence of damage to or loss of any of the Property by fire or other casualty.

“Condemnation” means any proposed or actual condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Property, whether direct or indirect.

“Deed Restriction” means the Deed Restriction with respect to the First Junior Security Instrument executed by Borrower in favor of First Junior Lender dated as of August 28, 2019, and to be recorded in the Recording Office.

“Enforcement Action” means the acceleration of all or any part of the Junior Indebtedness, the advertising of or commencement of any foreclosure or trustee’s sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of Rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Property, the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the any of the Junior Loan Documents the exercising of any banker’s lien or rights of set-off or recoupment, or the taking of any other enforcement action against Borrower, any other party liable for any of the Junior Indebtedness or obligated under any of the Junior Loan Documents, or the Property.

“Enforcement Action Notice” means a written notice from a Junior Lender to Senior Lender, given following a Junior Loan Default and the expiration of any notice or cure periods provided for such Junior Loan Default in the Junior Loan Documents, setting forth in reasonable detail the Enforcement Action proposed to be taken by such Junior Lender.

“First Junior Loan Documents” means, collectively, the First Junior Note, the First Junior Security Instrument, the Deed Restriction and all other documents evidencing, securing or delivered in connection with the First Junior Loan, together with such modifications, amendments and supplements thereto as are approved in writing by Senior Lender prior to their execution.

“First Junior Security Instrument” means that certain subordinate Trust Deed with Assignment of Rents dated as of the Closing Date, made by Borrower for the benefit of First Junior Lender.

“Junior Indebtedness” means all indebtedness of any kind at any time evidenced or secured by, or arising under, the Junior Loan Documents or the Junior Loans, whether incurred, arising or accruing before or after the filing of any Bankruptcy Proceeding.

“Junior Loan Default” means any act, failure to act, event, condition, or occurrence which constitutes, or which with the giving of notice or the passage of time, or both, would constitute, a “Default” or an “Event of Default” as defined in the First Junior Security Instrument, the Second Junior Security Instrument, Third Junior Security Instrument or in the Junior Loan Documents.

“Junior Loan Documents” means, collectively, the First Junior Loan Documents, the Second Junior Loan Documents and the Third Junior Loan Documents.

“Junior Security Instruments” means, collectively, the Senior Security Instrument, First Junior Security Instrument, Second Junior Security Instrument and Third Junior Security Instrument.

“Loss Proceeds” means all monies received or to be received under any insurance policy, from any condemning authority, or from any other source, as a result of any Condemnation or Casualty.

“Property” means (i) the land and improvements located in the State of Utah that are legally described on Exhibit A attached hereto, and (ii) all furniture, fixtures and equipment located at such apartments and other property, accounts, deposits and rights and interests of Borrower encumbered by the Senior Security Instrument and/or the other Senior Loan Documents.

“Second Junior Loan Documents” means, collectively, the Second Junior Note, the Second Junior Security Instrument, and all other documents evidencing, securing or delivered in connection with the Second Junior Loan, together with such modifications, amendments and supplements thereto as are approved in writing by Senior Lender prior to their execution.

“Second Junior Security Instrument” means that certain subordinate Trust Deed with Assignment of Rents dated as of the Closing Date, made by Borrower for the benefit of Second Junior Lender.

“Senior Indebtedness” means all indebtedness of any kind at any time evidenced or secured by, or arising under, the Senior Loan Documents, whether incurred, arising or accruing before or after the filing of any Bankruptcy Proceeding.

“Senior Loan Default” means any act, failure to act, event, condition, or occurrence which constitutes, or which with the giving of notice or the passage of time, or both, would constitute, an “Event of Default” as defined in the Senior Loan Documents.

“Senior Loan Documents” means, collectively, the Senior Security Instrument, the Senior Note, the Senior Loan Agreements and all of the other documents, instruments and agreements now or hereafter evidencing, securing or otherwise executed in connection with the Senior Loan, as the same may from time to time be extended, consolidated, substituted for, modified, increased, amended and supplemented in accordance with the provisions of this Agreement.

“Senior Notes” means the Notes, as defined by the Senior Security Instrument, as the same may from time to time be extended, consolidated, substituted for, modified, increased, amended and supplemented

“Senior Security Instrument” means that certain Construction and Permanent Deed with Assignment of Rents, Security Agreement and Fixture Filing dated as of the Closing Date, made by Borrower for the benefit of Issuer, as assigned to Tax-Exempt Loan Lender by Assignment of Deed of Trust and Related Documents dated as of the Closing Date as the same may from time to time be extended, consolidated, substituted for, modified, increased, amended and supplemented (with the consent of Junior Lender), which encumbers the Property as a first lien.

“Third Junior Loan Documents” means, collectively, the Third Junior Note, the Third Junior Security Instrument, and all other documents evidencing, securing or delivered in connection with the Third Junior Loan, together with such modifications, amendments and supplements thereto as are approved in writing by Senior Lender prior to their execution.

“Third Junior Security Instrument” means that certain subordinate Trust Deed with Assignment of Rents dated as of the Closing Date, made by Borrower for the benefit of Third Junior Lender.

**2. Junior Loans and Junior Loan Documents are Subordinate; Acts by Senior Lender do not Affect Subordination.**

(a) First Junior Lender, Second Junior Lender and Third Junior Lender each hereby covenant and agree on behalf of itself and its successors and permitted assigns that its respective Junior Indebtedness is and shall at all times continue to be, subordinate, subject and inferior (in payment and priority) to the prior payment in full of the Senior Indebtedness; and that the liens, rights, payment interests, priority interests and security interests granted to Junior Lenders in connection with the Junior Loans are, and are hereby expressly acknowledged to be in all respects and at all times, subject, subordinate and inferior in all respects to the liens, rights, payment, priority and security interests granted to Senior Lender under the Senior Loan and the Senior Loan Documents and the terms, covenants, conditions, operations and effects thereof, with the exception of the Deed Restriction until its expiration.

(b) Repayment of the Junior Indebtedness, is and shall be postponed and subordinated to repayment in full of the Senior Loan. If (i) a Junior Lender receives any

payment, property, or asset of any kind or in any form on account of the Junior Indebtedness (including, without limitation, any proceeds from any Enforcement Action) after a Senior Loan Default of which such Junior Lender has actual knowledge or has been given notice, or (ii) a Junior Lender receives, voluntarily or involuntarily, by operation of law or otherwise, any payment, property, or asset in or in connection with any Bankruptcy Proceeding, such payment, property, or asset will be received and held in trust for Senior Lender. Junior Lender will promptly remit, in kind and properly endorsed as necessary, all such payments, properties, and assets to Senior Lender. Senior Lender shall apply any payment, asset, or property so received from Junior Lender to the Senior Indebtedness in such order, amount (with respect to any asset or property other than immediately available funds), and manner as Senior Lender shall determine in its sole and absolute discretion. Notwithstanding the foregoing, First Junior Lender may enforce its Deed Restriction during its life by specific performance but monetary damages, if any, will be remitted to Senior Lender.

(c) Without limiting the complete subordination of the Junior Indebtedness to the payment in full of the Senior Indebtedness, in any Bankruptcy Proceeding, upon any payment or distribution (whether in cash, property, securities, or otherwise) to creditors (i) the Senior Indebtedness shall first be paid in full in cash before Junior Lender shall be entitled to receive any payment or other distribution on account of or in respect of the Junior Indebtedness, and (ii) until all of the Senior Indebtedness is paid in full in cash, any payment or distribution to which Junior Lender would be entitled but for this Agreement (whether in cash, property, or other assets) shall be made to Senior Lender.

(d) Each party hereto agrees to the following priority for the Senior Security Agreement, the First Junior Security Agreement, the Second Junior Security Agreement and the Third Junior Security Agreement, with respect to the Property: First priority is in the Senior Security Instrument; second priority is in the First Junior Security Instrument; third priority is in the Second Junior Security Instrument; and fourth priority is in the Third Junior Security Instrument.

### **3. Junior Lenders Agreements.**

(a) Without the prior written consent of Senior Lender in each instance, Junior Lenders shall not (i) amend, modify, waive, extend, renew or replace any provision of any of the Junior Loan Documents, or (ii) pledge, assign, transfer, convey, or sell any interest in the Junior Indebtedness or any of the Junior Loan Documents; or (iii) accept any payment on account of the Junior Indebtedness; or (iv) take any action which has the effect of increasing the Junior Indebtedness; or (v) appear in, defend or bring any action in connection with the Property; or (vi) take any action concerning environmental matters affecting the Property. Notwithstanding the foregoing, upon notice and request, Senior Lender will consent to any action by First Junior Lender to enforce its Deed Restriction during its life by specific performance but monetary damages, if any, will be remitted to Senior Lender.

(b) Senior Lender shall have all approval, consent and oversight rights in connection with any insurance claims relating to the Property, any decisions regarding the

use of insurance proceeds after a casualty loss or condemnation awards, the hiring or firing of property managers, and Junior Lenders shall have no right to object to any such action or approval taken by Senior Lender and shall consent thereto and be bound thereby.

(c) No Junior Lender shall commence any Bankruptcy Proceeding involving Borrower, and no Junior Lender shall initiate any action, in a Bankruptcy Proceeding involving any other person or entity, which seeks the consolidation of some or all of the assets of Borrower into such Bankruptcy Proceeding. In the event of any Bankruptcy Proceeding relating to Borrower or the Property or, in the event of any Bankruptcy Proceeding relating to any other person or entity into which (notwithstanding the covenant in the first sentence of this clause) the assets or interests of Borrower are consolidated, then in either event, the Senior Loan shall first be paid in full before Junior Lenders shall be entitled to receive and retain any payment or distribution in respect to the Junior Loans. Junior Lenders agree that (i) Senior Lender shall receive all payments and distributions of every kind or character in respect of the Junior Loans to which Junior Lenders would otherwise be entitled, but for the subordination provisions of this Agreement (including without limitation, any payments or distributions during the pendency of a Bankruptcy Proceeding involving Borrower or the Property), and (ii) the subordination of the Junior Loans and the Junior Loan Documents shall not be affected in any way by Senior Lender electing, under Section 1111(b) of the federal bankruptcy code, to have its claim treated as being a fully secured claim.

(d) Junior Lenders each covenant and agree that the effectiveness of this Agreement and the rights of Senior Lender hereunder shall be in no way impaired, affected, diminished or released by any renewal or extension of the time of payment of the Senior Loan, by any delay, forbearance, failure, neglect or refusal of Senior Lender in enforcing payment thereof or in enforcing the lien of or attempting to realize upon the Senior Loan Documents or any other security which may have been given or may hereafter be given for the Senior Loan, by any waiver or failure to exercise any right or remedy under the Senior Loan Documents, or by any other act or failure to act by Senior Lender.

4. **Standstill Agreement.** Until such time as any of the Senior Indebtedness has been repaid in full and the Senior Security Instrument has been released and discharged, Junior Lenders shall not without the prior written consent of Senior Lender, which may be withheld in Senior Lender's sole and absolute discretion, (i) accelerate any of the Junior Loans, (ii) exercise any of Junior Lenders' remedies under the Junior Security Instrument or any of the other Junior Loan Documents (including, without limitation, the commencement of any judicial or non-judicial action of proceeding (a) to enforce any obligation of Borrower under any of the Junior Loan Documents, (b) to collect any monies payable to Borrower, (c) to have a receiver appointed to collect any monies payable to Borrower; or (d) to foreclose the lien(s) created by the Junior Security Instruments) or (iii) file any involuntary Bankruptcy Proceeding against Borrower or any person or entity which owns a direct or indirect interest in Borrower; provided, however, that such limitation on the remedies of each Junior Lender shall not derogate or otherwise limit such Junior Lender's rights, following an event of default under any of the Junior Loan Documents to (a) compute interest on all amounts due and payable under the Junior Loans at the default rate described in the Junior Loan Documents, (b) compute prepayment premiums and late charges, and (c) enforce against any person, other than Borrower and any guarantors or indemnitors under the

Senior Loan Documents, any guaranty of the obligations of Borrower under the Junior Loans. Notwithstanding the foregoing, upon notice and request, Senior Lender will consent to any action by First Junior Lender to enforce its Deed Restriction during its life by specific performance but monetary damages, if any, will be remitted to Senior Lender.

5. **Insurance.** Junior Lenders each agree that all original policies of insurance required pursuant to the Senior Security Instrument shall be held by Senior Lender. The preceding sentence shall not preclude Junior Lenders from requiring that it or they be named as a loss payee, as its interest may appear, under all policies of property damage insurance maintained by Borrower with respect to the Property, provided such action does not affect the priority of payment of the proceeds of property damage insurance under the Senior Security Instrument, or that it be named as an additional insured under all policies of liability insurance maintained by Borrower with respect to the Property.

6. **Default.**

(a) Borrower acknowledges and agrees that a default by Borrower under this Agreement shall, at the sole option of Senior Lender, constitute a default under the Senior Loan Documents. Each party hereto acknowledges that in the event any party fails to comply with its obligations hereunder, the other parties shall have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief. No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder.

(b) For a period of ninety (90) days following delivery to Senior Lender of an Enforcement Action Notice, Senior Lender shall have the right to cure any Junior Loan Default, provided if such Junior Loan Default is a non-monetary default and is not capable of being cured within such 90-day period and Senior Lender has commenced and is diligently pursuing such cure to completion, Senior Lender shall have such additional period of time as may be required to cure such Junior Loan Default or until such time, if ever, as Senior Lender (i) discontinues its pursuit of any cure and/or (ii) delivers to the Junior Lender Senior Lender's written consent to the Enforcement Action described in the Enforcement Action Notice. Senior Lender shall not have any obligation whatsoever to cure any Junior Loan Default. Senior Lender shall not be subrogated to the rights of any Junior Lender under the Junior Loan Documents by reason of Senior Lender having cured any Junior Loan Default. However, Junior Lenders acknowledge that all amounts advanced or expended by Senior Lender in accordance with the Senior Loan Documents or to cure a Junior Loan Default shall be added to and become a part of the Senior Indebtedness and shall be secured by the lien of, the Senior Security Instrument.

(c) In the event of a Junior Loan Default, no Junior Lender may not commence any Enforcement Action, including but not limited to any foreclosure action under the any of the Junior Loan Documents, until the delivery by Senior Lender to such Junior Lender of Senior Lender's written consent to such Enforcement Action by such Junior Lender,



provided that First Junior Lender shall be entitled to seek specific performance to enforce covenants and agreements of Borrower relating to income, rent, or affordability restrictions contained in the Deed Restriction, subject to Senior Lender's right to cure a Junior Default set forth in Section 6(b). Each Junior Lender acknowledges that Senior Lender may grant or refuse consent to a Junior Lender's Enforcement Action in Senior Lender's sole and absolute discretion. Any Enforcement Action on the part of any Junior Lender shall be subject to the provisions of this Agreement. Each Junior Lender acknowledges that the provisions of this Section 6(c) are fair and reasonable under the circumstances that such Junior Lender has received a substantial benefit from Senior Lender having granted its consent to Junior Loans, and that Senior lender would not have granted such consent without the inclusion of these provisions in this Agreement.

(d) Senior Lender may pursue all rights and remedies available to it under the Senior Loan Documents, at law, or in equity, regardless of any Enforcement Action Notice or Enforcement Action by any Junior Lender. No action or failure to act on the part of Senior Lender in the event of a Junior Loan Default or commencement of an Enforcement Action shall constitute a waiver on the part of Senior Lender of any provision of the Senior Loan Documents or this Agreement.

(e) In the event that the Enforcement Action taken by any Junior Lender is the appointment of a receiver for any of the Trust Estate, all of the Rents, issues, profits and proceeds collected by the receiver shall be paid and applied by the receiver solely to and for the benefit of Senior Lender until the Senior Indebtedness shall have been paid in full.

(f) Each Junior Lender hereby expressly consents to and authorizes the release by Senior Lender of all or any portion of the Trust Estate from the lien, operation, and effect of the Senior Loan Documents, with the exception of the Deed Restriction during its prescribed life. Each Junior Lender hereby waives to the fullest extent permitted by law, all equitable or other rights it may have (i) in connection with the release of all or any portion of the Trust Estate; or (ii) to require the separate sale of any portion of the Trust Estate; or (iii) to require Senior Lender to exhaust its remedies against all or any portion of the Trust Estate or any combination of portions of the Trust Estate or any other collateral for the Senior Indebtedness; or (iv) to require Senior Lender to proceed against Borrower, any other party that may be liable for any of the Senior Indebtedness, all or any portion of the Trust Estate or combination of portions of the Trust Estate, or any other collateral, before proceeding against all or such portions or combination of portions of the Trust Estate as Senior Lender determines. Each Junior Lender hereby expressly consents to and authorizes, at the option of Senior Lender, the sale, either separately or together, of all or any portion of the Trust Estate. Each Junior Lender acknowledges that without notice to any Junior Lender and without affecting any of the provisions of this Agreement, Senior Lender may (i) extend the time for or waive any payment or performance under the Senior Loan Documents; (ii) modify or amend in any respect any provision of the Senior Loan Documents; and (iii) modify, exchange, surrender, release and otherwise deal with any additional collateral for the Senior Indebtedness.

(g) If any party other than Borrower (including Senior Lender) acquires title to any of the Trust Estate pursuant to a foreclosure of, or trustee's sale or other exercise of

any power of sale under, the Senior Security Instrument conducted in accordance with applicable law, the lien, operation, and effect of the Junior Security Instruments and other Junior Loan Documents automatically shall terminate with respect to such Trust Estate, with the exception of the Deed Restriction during its prescribed life.

(h) The Deed Restriction runs with the land and survives any transfer or enforcement action. Any right that First Junior Lender has to enforce the Deed Restriction during its life, against borrower, its successors or assigns, shall survive and remain in effect following foreclosure by the Senior Lender.

7. **Notices.** Any notice which any party hereto may be required or may desire to give hereunder shall be deemed to have been given and shall be effective only if it is in writing and (i) delivered personally, (ii) mailed, postage prepaid, by United State registered or certified mail, return receipts requested, (iii) delivered by overnight express courier or (iv) sent by facsimile, in each instance addressed as follows:

If to First Junior Lender: JF Union Member, LLC  
1148 W. Legacy Crossing Blvd., Suite 400  
Centerville, Utah 84014

If to Second Junior Lender: Olene Walker Housing Loan Fund  
324 South State Street, Suite 500  
Salt Lake City, Utah 84114-9302  
Attn: Jonathan D. Hardy

If to Third Junior Lender: Strategic Builders, LLC  
1148 W. Legacy Crossing Blvd., Suite 400  
Centerville, Utah 84014

If to Senior Lender: Zions Bancorporation, N.A.  
Real Estate Banking Group  
One South Main Street, Suite 400  
Salt Lake City, Utah 84133  
Attn: Wendy Leonelli

With copies to:  
Zions Bancorporation, National Association  
Corporate Legal Services  
One South Main, Suite 1100  
Salt Lake City, UT 84133-1109  
Attn: Garrett Gross

Or at such other addresses or to the attention of such other persons as may from time to time be designated by the party to be addressed by written notice to the other in the manner herein provided. Notices, demands and requests given in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder when received or when delivery is refused or when the same are returned to sender for failure to be called for.

8. **JURY TRIAL WAIVER.** TO THE EXTENT PERMITTED BY LAW, THE PARTIES HERETO HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT.

9. **Term.** The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (i) the payment of all of the principal of, interest on and other amounts payable under the Senior Loan Documents; (ii) the acquisition by Senior Lender of title to the Property pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale contained in) the Senior Security Instrument; or (iii) the acquisition by First Junior Lender of title to the Property pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale contained in) the First Junior Security Instrument, but only if such acquisition of title does not violate any of the terms of this Agreement, or (iv) the acquisition by Second Junior Lender of title to the Property pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale contained in) the Second Junior Security Instrument, but only if such acquisition of title does not violate any of the terms of this Agreement, or (v) the acquisition by Third Junior Lender of title to the Property pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale contained in) the Third Junior Security Instrument, but only if such acquisition of title does not violate any of the terms of this Agreement.

10. **Miscellaneous.**

(a) Each Junior Lender shall, within ten (10) business days following a request from Senior Lender, provide Senior Lender with a written statement setting forth the then current outstanding principal balance of their respective loan, the aggregate accrued and unpaid interest thereunder, and stating whether, to the knowledge of such Junior Lender, any default or event of default exists under such loan, along with any other information Senior Lender may reasonably require.

(b) This Agreement shall bind and inure to the benefit of all successors and assigns of Junior Lenders and Senior Lender. Senior Lender may assign its interest in the Senior Loan Documents without notice to or consent of Junior Lenders. Junior Lenders may only assign their rights and interests hereunder following the prior written consent of Senior Lender, which consent may be withheld or conditioned in its sole and absolute discretion.

(c) Senior Lender hereby consents to the Junior Loans; provided, however, that this Agreement does not constitute an approval by Senior Lender of the terms of any Junior Loan Documents. Each Junior Lender hereby consents to the Senior Loan and the Senior Loan Documents; provided, however, that this Agreement does not constitute an approval by such Junior Lender of the terms of the Senior Loan Documents.

(d) This Agreement may be executed in counterpart originals, each of which shall constitute an original and all of which, when taken together, shall constitute one and the same instrument.

(e) IN ALL RESPECTS, INCLUDING, WITHOUT LIMITATION, MATTERS OF CONSTRUCTION AND PERFORMANCE OF THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER, THIS AGREEMENT HAS BEEN ENTERED INTO AND DELIVERED IN, AND SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY, THE LAWS OF THE STATE OF UTAH, WITHOUT GIVING EFFECT TO ANY PRINCIPLES OF CONFLICTS OF LAW.

(f) Time is of the essence in the performance of every covenant and agreement contained in this Agreement.

(g) If any provision or remedy set forth in this Agreement for any reason shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision or remedy of this Agreement and this Agreement shall be construed as if such invalid, illegal or unenforceable provision or remedy had never been set forth herein, but only to the extent of such invalidity, illegality or unenforceability.

(h) Each party hereto hereby represents and warrants that this Agreement has been duly authorized, executed and delivered by it and constitutes a legal, valid and binding agreement enforceable in all material respects in accordance with its terms.

(i) No amendment, supplement, modification, waiver or termination of this Agreement shall be effective against any party unless such amendment, supplement, modification, waiver or termination is contained in a writing signed by such party.

(j) No party other than Senior Lender and Junior Lenders shall have any rights under, or be deemed a beneficiary of any of the provisions of, this Agreement.

(k) Nothing herein or in any of the Senior Loan Documents or Junior Loan Documents shall be deemed to constitute Senior Lender as a joint venturer or partner of any Junior Lender.

11. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have duly executed and delivered this Subordination Agreement by their respective authorized representatives as of the date first set forth above.

FIRST JUNIOR LENDER:

**OLENE WALKER HOUSING LOAN FUND**

By: *Rebecca Banner* for Jonathan Hardy  
 Jonathan D. Hardy, Director  
 Division of Housing and Community Development

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

The foregoing instrument was acknowledged before me this 29<sup>th</sup> August day of 8/29/2019, by *Rebecca Banner* the Assistant Director of the Olene Walker Housing Loan Fund, a State Agency



*Lori Poll*  
 Notary Public

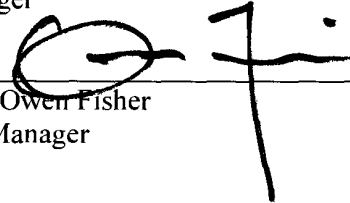
(signatures follow on subsequent page)

**SECOND JUNIOR LENDER:**

**JF UNION MEMBER, LLC,**  
a Utah limited liability company

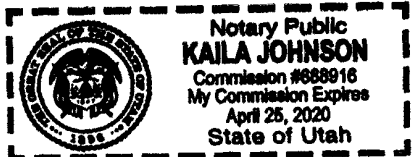
By: JF CAPITAL, LLC, a Utah limited liability company  
Its: Manager

By: J. FISHER COMPANIES, LLC, a Utah limited liability company  
Its: Manager

By:   
Name: Owen Fisher  
Title: Manager

STATE OF UTAH )  
COUNTY OF DAVIS ) : ss.

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of August, 2019, by Owen Fisher, the Manager of J. Fisher Companies, LLC, a Utah limited liability company, Manager of JF Capital, LLC, a Utah limited liability company, the Sole Member and Manager of the JF Union Member, LLC, a Utah limited liability company, on behalf of such limited liability company.



  
Notary Public

[Signature Page to Subordination Agreement]

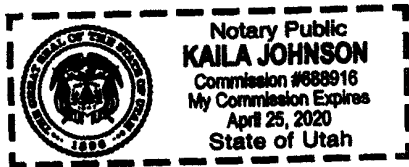
**THIRD JUNIOR LENDER:**

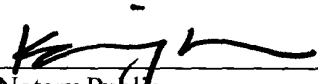
**STRATEGIC BUILDERS, LLC,**  
a Utah limited liability company

By:   
Name: Owen Fisher  
Title: Manager

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

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of August, 2019, by Owen Fisher, the Manager of the Strategic Builders, LLC, a Utah limited liability company, on behalf of such limited liability company.



  
Notary Public

[Signature Page to Subordination Agreement]

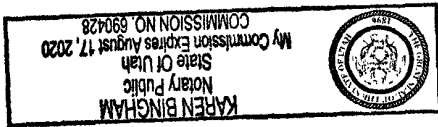
**TAXABLE LOAN LENDER:**

**ZIONS BANCORPORATION, N.A.,**  
as administrative agent

By: Wendy Leavelle  
Name: Wendy Leavelle  
Title: Senior Vice President

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

The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of August, 2019, by Wendy Leavelle, a Senior V.P. of Zions Bancorporation, N.A., a national banking association, on behalf of such national banking association.



Karen Bingham  
NOTARY PUBLIC  
Residing at: Salt Lake

[Signature Page to Subordination Agreement]





TAX-EXEMPT LOAN LENDER:

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION,**  
in its capacity as trustee under and pursuant to the Trust Indenture

By: Sandra Kinney  
Name: Sandra Kinney  
Title: Vice President

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

The foregoing instrument was acknowledged before me this 29th day of August, 2019,  
by Sandra Kinney, a Vice President of Zions Bancorporation, N.A., a national banking  
association, on behalf of such national banking association.



Karen Bingham  
NOTARY PUBLIC  
Residing at: Salt Lake

[Subordination Agreement]

ACKNOWLEDGED AND AGREED AS OF THE DATE FIRST SET FORTH ABOVE:

**BORROWER:**

**JF UNION PARTNERS, LLC,**  
a Utah limited liability company

By: JF UNION MEMBER, LLC, a Utah limited liability company

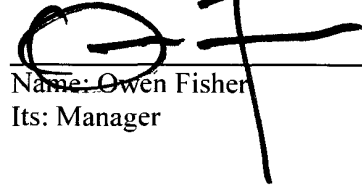
Its: Managing Member

By: JF CAPITAL, LLC, a Utah limited liability company

Its: Manager

By: J. FISHER COMPANIES, LLC, a Utah limited liability company

Its: Manager

  
Name: Owen Fisher  
Its: Manager

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

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of August, 2019, by Owen Fisher, the Manager of J. Fisher Companies, LLC, a Utah limited liability company, Manager of JF Capital, LLC, a Utah limited liability company, the Sole Member and Manager of the JF Union Member, LLC, a Utah limited liability company, on behalf of such limited liability company, the Managing Member of JF Union Partners, LLC, a Utah limited liability company, on behalf of such limited liability company.



  
NOTARY PUBLIC  
Residing at: Davis County, Utah

[Signature Page to Subordination Agreement]

**EXHIBIT A**  
**LEGAL DESCRIPTION**

The land referred to herein below is situated in Salt Lake County, State of Utah, and is described as follows:

**PARCEL 1:**

Beginning at a point which is South 1517.71 feet and East 27.86 feet from the North quarter corner of Section 25, Township 2 South, Range 1 West, Salt Lake Base and Meridian; said North quarter corner being North 00°18'38" East along the basis of bearing, 2640.92 feet and South 89°41'48" East, 2617.36 feet from the West quarter corner of said Section 25; and running thence East 188.00 feet to the West line of Cottonwood Street; thence along said West line of Cottonwood Street the following two (2) courses: South 00°20'00" West 192.51 feet; thence South 00°48'59" West, 237.69 feet; thence South 46°27'59" West 39.04 feet; thence North 89°43'00" West 337.16 feet, more or less to the Easterly boundary of UDOT Parcel; thence North 262.89 feet along the Easterly deed line of the UDOT and G6 Hospitality Property LLC (Entry No. 11465272 in Book 10053 at Page 3535) and along an existing fence line to a point on the deed line of the LQ Properties LLC (Entry No. 9664413 in Book 9267 at Page 6701); thence along said LQ Properties deed line the following four (4) courses: East 194.96 feet; thence North 50.00 feet; thence West 13.00 feet; thence North 142.51 feet to the point of beginning.

**PARCEL 1A:**

An easement for a storm drainage line as described in that certain Easement Agreement, dated October 6, 1993 and recorded October 29, 1993 as Entry No. 5642379 in Book 6788 at Page 1714.