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 01/10/2006 11:25 AM \$19.00  
 Book - 9242 Pg - 1073-1077  
 GARY W. OTT  
 RECORDER, SALT LAKE COUNTY, UTAH  
 UTAH HOUSING CORP  
 2479 S LAKE PARK BLVD  
 WVC UT 84120  
 BY: NCT, DEPUTY - WI 5 P.

After Recording, please return to:

President  
 Utah Housing Corporation  
~~554 South 300 East~~ 2479 S. LAKE PARK BLVD  
~~Salt Lake City, Utah 84111~~ WEST VALLEY CITY, UT  
 84120

Tax Parcel I.D. No.: 15-29-352-008

## SUBORDINATION AGREEMENT

This Subordination Agreement ("Agreement") is made and entered into as of the <sup>th</sup> 29 day of November, 2005, by and among BP-UT 2, LLC, a Delaware limited liability company ("Owner"), The Christiano Family Trust (the "Lender"), and UTAH HOUSING CORPORATION, a public corporation of the State of Utah ("UHC").

### 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. As a part of the permanent financing of the Project, the Lender has made a loan to the Owner in the sum of One Million Seven Hundred Fifty Thousand and No/100 Dollars (\$1,750,000.00) (the "Loan"). The Loan is evidenced by that certain Promissory Note dated as of April 14, 2004 (the "Note"), and secured by, among other things, a Deed of Trust, Assignment of Rents, Security Agreement, and Financing Statement dated as of April 14, 2004 (the "Deed of Trust"), executed by the Owner in favor of the Lender, and recorded in the official real estate records of the Salt Lake County Recorder's Office on April 19, 2004 as Entry No. 9038187 in Book 8975 at Page 1793 *et seq.* The Note, the Deed of Trust 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, among other things, receive a Form 8609 from UHC for the Project. UHC may issue a Form 8609 only if the Owner satisfies certain requirements under Section 42.

D. To fulfill one of the requirements for UHC to issue a Form 8609 for the Project, UHC and the Owner have entered into that certain Low-Income Housing Credit Commitment Agreement and Declaration of Restrictive Covenants dated April 12, 2004 (the

“Extended Use Agreement”) and recorded in the official real estate records of the Salt Lake County Recorder’s Office as Entry No. 9033061 in Book 8972 at Page 8092 *et seq.*, 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) UHC 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 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 Paragraph 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.

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.

LURA SubordAgmt Christiano - UHC.doc

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


THE LENDER:

CHRISTIANO FAMILY TRUST

By   
Matt Christiano, Trustee

UHC:


UTAH HOUSING CORPORATION

By:   
William H. Erickson  
Its President

THE BORROWER:

BP-UT 2, LLC, a Delaware limited liability company

By: BP-UT 2 Holdings, L.C., a Utah limited liability company  
Its Managing Member

By:   
Danuel R. Stanger  
Its: Manager

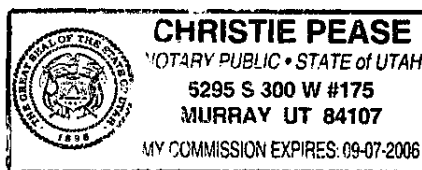
STATE OF Utah )  
 : ss.  
COUNTY OF Salt Lake )

The foregoing instrument was acknowledged before me this 29 day of November, 2005, by Matt Christiano the Trustee of the Christiano Family Trust.

Christie Pease  
Notary Signature and Seal

My Commission Expires:

09-07-2006



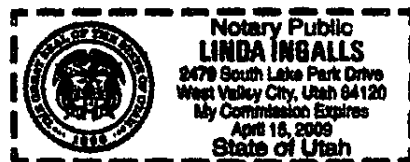
STATE OF UTAH )  
 : ss.  
COUNTY OF SALT LAKE )

The foregoing instrument was acknowledged before me this 19<sup>th</sup> day of December, 2005, by William H. Erickson, President of UTAH HOUSING CORPORATION, a public corporation of the State of Utah.

Linda Ingalls  
Notary Signature and Seal

My Commission Expires:

4/15/09



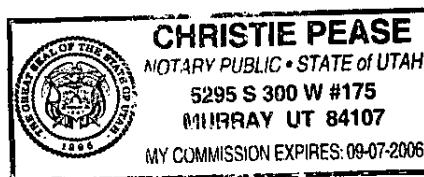
STATE OF UTAH )  
 : ss.  
COUNTY OF SALT LAKE )

The foregoing instrument was acknowledged before me this 5 day of December, 2005, by Danuel R. Stanger, the manager of BP-UT 2 Holdings, L.C., a Utah limited liability company, the Managing Member of BP-UT 2, LLC, a Delaware limited liability company

Christie Pease  
Notary Signature and Seal

My Commission Expires:

09-07-2006



Order No: SL054084UT  
Reference No: F67721

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**Exhibit "A"**  
**(Legal Description)**

The estate or interest in the land described or referred to in this TSR and covered herein is:

Fee Simple as to parcel 1, Non-exclusive easement as to parcel 2

**PARCEL 1:**

BEGINNING at a point which is on the North right of way of 3500 South Street, said point being North 89° 57'29" East, 953.33 feet along the South section line of Section 29 and North 0°00'17" East 53.00 feet from the Southwest corner of said Section 29, Township 1 South, Range 1 West, Salt Lake Base and Meridian and running thence North 0°00'17" East 766.30 feet along the projected line of the East boundary of Samuel P. Robinson property to a point on the Southerly right of way line of Rockwood Way, which said point is on a curve to the left, the radius point of which is North 52°35'37" West 259.18 feet; thence along said Southerly right of way line as follows: Easterly along the arc of said curve 42.71 feet to a point of tangency; thence North 27°57'50" East 9.49 feet to a point on a 230.44 foot radius curve to the right; thence Easterly along the arc of said curve 337.84 feet to a point of tangency; thence South 68°02'10" East 27.38 feet to a point on a 507.47 foot radius curve to the left; thence Easterly along the arc of said curve 194.54 feet to a point of tangency; thence East 160.91 feet to a point on a 105.00 foot radius curve to the left; thence Northeasterly along the arc of said curve 164.93 feet to a point on a 1843.86 foot radius curve to the right (radius point bears West); said point being on the Westerly line of a proposed thoroughfare; thence leaving the Southerly right of way line of Rockwood Way and running Southerly along the Westerly line of the proposed thoroughfare and the arc of said curve 6.13 feet (long chord bears South 0°05'43" West 6.13 feet) to a point on a 2659.75 foot radius curve to the right (radius point bears North 86°39'45" West); thence Southwesterly along the arc of said curve 458.99 feet (long chord bears South 8°16'53" West 458.42 feet), thence South 14°55'25" West 273.13 feet; thence South 89°57'29" West 411.99 feet along the projected line of the North boundary of F. C. Stangl III Property; thence South 0°00'17" West 50.00 feet along the West boundary of F. C. Stangl III property, thence South 89°57'29" West 150.00 feet along the North boundary of Mondak Partners property; thence South 0°00'17" West 200.00 feet along the West boundary of Mondak Partners property to a point on the North right of way line of 3500 South Street; thence South 89°57'29" West 100.00 feet along said right of way line to the point of beginning.

**PARCEL 2:**

A non exclusive easement for pedestrian purposes, through, over and across the following: Beginning at a point located North 89°57'29" East 708.33 feet and North 0°00'17" East 343 feet from the Southwest corner of Section 29, Township 1 South, Range 1 West, Salt Lake Base and Meridian, and running thence North 0°00'17" East, 15 feet; thence North 89°57'29" East 245.00 feet; thence South 0°00'17" West, 15 feet; thence South 89°57'29" West, 245.00 feet to the point of beginning, as created by that certain Grant of Easement recorded December 20, 1977 as Entry No. 3040777 in Book 4598 at Page 747 of Official Records.

The following is shown for information purposes only: Tax ID No. 15-29-352-008