

RECORDED

DEC 28 2015
File 80745-CF
CITY RECORDER

SUBORDINATION AGREEMENT

Parcel 08-36-404-005

This *Subordination Agreement* (this "Agreement") is entered into as of the 23rd day of December, 2015 (the "Effective Date") by and among KEYBANK NATIONAL ASSOCIATION, a national banking association ("Senior Lender"); the SALT LAKE CITY CORPORATION ("Subordinate Lender"); and VILLAGE MARMALADE, LLC, a Utah limited liability company ("Borrower"; collectively, Borrower, Senior Lender and Subordinate Lender are the "Parties").

RECITALS:

WHEREAS, pursuant to a *Loan Agreement* between Borrower and Senior Lender dated as of the Effective Date (the "Senior Loan Agreement"), Senior Lender made a \$1,000,000 loan (the "Senior Loan") to Borrower, which is evidenced by a *Promissory Note* made by Borrower in favor of Senior Lender and dated as of the Effective Date in the original principal amount of the Senior Loan (collectively, the "Senior Note"); and

WHEREAS, the Senior Note is secured by, among other things, that certain *Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing* and that certain *Building Loan Mortgage, Assignment of Rents, Security Agreement and Fixture Filing* each made by Borrower in favor of Senior Lender and dated as of the Effective Date (collectively, the "Senior Mortgage"); and

WHEREAS, the Senior Loan Agreement, Senior Note, Senior Mortgage, and all other documents, instruments, and agreements executed in connection with the Senior Loan are, collectively, the "Senior Loan Documents"; and

WHEREAS, pursuant to a *Loan Agreement* between Subordinate Lender and Borrower dated on or about Dec. 23, 2015, Subordinate Lender made a \$750,000 loan (the "Subordinate Loan") to Borrower, which is evidenced by a *Promissory Note* executed by Borrower in favor of Subordinate Lender and dated as of Dec. 23, 2015 in the original principal amount of the Subordinate Loan (the "Subordinate Note"); and

WHEREAS, the Subordinate Note is secured by a *Trust Deed with Assignments of Rents* made by Borrower in favor of Subordinate Lender and dated as of Dec. 23, 2015 (the "Subordinate Mortgage"); and

WHEREAS, Subordinate Loan Agreement, Subordinate Note, Subordinate Mortgage, and all other documents, instruments, and agreements executed in connection with the Subordinate Loan are, collectively, the "Subordinate Loan Documents"; and

WHEREAS, Subordinate Lender has agreed to subordinate the Subordinate Loan and the lien of the Subordinate Mortgage to the Senior Loan and the lien of the Senior Mortgage.

12197173
12/30/2015 10:48:00 AM \$22.00
Book - 10391 Pg - 9116-9122
Gary W. Ott
Recorder, Salt Lake County, UT
COTTONWOOD TITLE
BY: eCASH, DEPUTY - EF 7 P.

AGREEMENT:

NOW, THEREFORE, in order to induce the Senior Lender to make the Senior Loan and Subordinate Lender to subordinate the Subordinate Loan and the Subordinate Mortgage to the Senior Loan and the Senior Mortgage, and in consideration thereof, the Parties agree as follows:

1. Incorporation of Recitals. The above Recitals are true, accurate, and correct in all material respects, form a material part of this Agreement, and are therefore incorporated into this Section 1 by reference.

2. Subordination; Pursuit of Remedies. Subordinate Lender's rights related to the Subordinate Loan are expressly, completely, and absolutely subject and subordinate to the rights of Senior Lender related to the Senior Loan. Regardless of any priority otherwise available to the Subordinate Lender by law or by agreement, Senior Lender shall hold a first-priority lien in the collateral described in the Senior Mortgage and the other Senior Loan Documents, and any lien claimed therein by the Subordinate Lender shall be and remain fully subordinate for all purposes to the lien of the Senior Lender for all purposes whatsoever. Subordinate Lender shall not pursue any remedies available at law or by agreement against Borrower or accept a prepayment of principal under the Subordinate Note without the express written consent of Senior Lender.

3. Payments Under Subordinate Note. So long as Borrower is not in default under any of the documents evidencing, securing, or otherwise governing the Senior Loan, including, without limitation, the Senior Loan Agreement, nothing herein shall prohibit Subordinate Lender from receiving and accepting scheduled monthly payments on the Subordinate Loan. However, in the event of a default by Borrower under any of the Senior Loan Documents, including, without limitation, any breach of the various financial covenants set forth therein, Borrower shall not make any payment upon any portion of the Subordinate Loan, nor shall Borrower make any advance to Subordinate Lender in any form whatsoever that would operate to reduce the amount of the Subordinate Loan.

4. Term. The term of this Agreement shall commence on the Effective Date and shall continue until the earliest to occur of the following: (i) the payment of all of the principal, interest, and other amounts payable under the Senior Loan Documents; or (ii) the acquisition by Senior Lender of title to the collateral pursuant to a foreclosure or deed in lieu of foreclosure of (or the exercise of a power of sale contained in) the Senior Mortgage.

5. Assignment/Successors. This Agreement shall be binding upon the Parties and their respective successors and assigns.

6. Amendment. This Agreement shall not be amended except by written instrument signed by Senior Lender and Subordinate Lender.

7. Governing Law. This Agreement shall be governed by the law of the State of Utah.

8. Severable Provisions. If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

9. 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.


10. REPRESENTATION REGARDING ETHICAL STANDARDS FOR CITY OFFICERS AND EMPLOYEES AND FORMER CITY OFFICERS AND EMPLOYEES. Senior Lender and Borrower each represents, solely with respect to itself, that it has not: (1) provided an illegal gift or payoff to a 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, or 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 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 City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK—
SIGNATURE PAGES TO IMMEDIATELY FOLLOW]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date.

SENIOR LENDER:

**KEYBANK NATIONAL ASSOCIATION, a
national banking association**

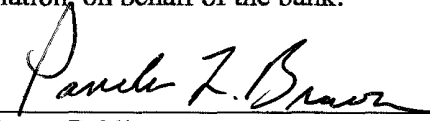
By: 
Name: LISA J DOMZALSKI
Title: Closing Officer

STATE OF OHIO)
)
COUNTY OF Cuyahoga) SS:

The foregoing instrument was acknowledged before me this 22 day of December, 2015, by Lisa Domzalski, the Closing Officer of KeyBank National Association, a national banking association, on behalf of the bank.



PAMELA L. BROWN
Notary Public, State of Ohio
My Commission Expires
May 19, 2016



Notary Public




RECORDED
DEC 28 2015
CITY RECORDER

SUBORDINATE LENDER:

SALT LAKE CITY CORPORATION

By: 
Ralph Becker, Mayor

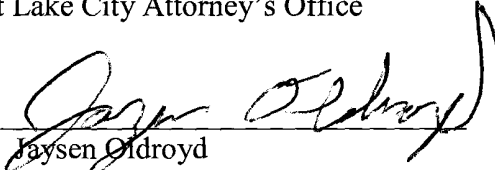
ATTEST:


City Recorder

Recordation Date:

Approved as to Form:

Salt Lake City Attorney's Office

By: 
Jaysen Oldroyd

BORROWER

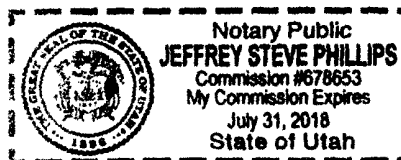
VILLAGE MARMALADE LLC, a Utah limited liability company

By: Western Region Nonprofit Housing Corporation, its Managing Member

By: *Marion A. Willey*
Name: MARION A. WILLEY
Title: PRESIDENT

STATE OF UTAH)
County of Salt Lake)

On the 22 day of December, 2015, personally appeared before me Marion A. Willey, who being duly sworn, did say that he/she is the President of Western Region Nonprofit Housing Corporation, the Managing Member of Village Marmalade LLC, a Utah limited liability company, and that said instrument was signed on behalf of said company by authority of a consent of its members, and said Marion A. Willey acknowledged to me that said company executed the same.



Jeffrey Steve Phillips
Name (typed or printed): Jeffrey Steve Phillips
NOTARY PUBLIC in and for the State of Utah
Residing at Salt Lake
My appointment expires: July 31, 2018

EXHIBIT A
PROPERTY DESCRIPTION

Beginning 2.5 rods North of the Southwest corner of Lot 5, Block 104, Plat "A", Salt Lake City Survey and running thence North 123.5 feet; thence East 165.0 feet; thence South 123.5 feet; thence West 165.0 feet to the point of beginning.

Tax Id No.: 08-36-404-005