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& McCarthy  
P.O. Box 45340  
Salt Lake City, Utah 84145-0340

ATC-4272019

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08/16/2004 04:16 PM \$21.00  
Book - 9026 Pg - 2572-2577  
GARY W. OTT  
RECORDER, SALT LAKE COUNTY, UTAH  
FIRST AMERICAN TITLE  
BY: SBM, DEPUTY - WI 6 P.

Tax Parcel I.D. No.: 15-35-400-061

## SUBORDINATION AGREEMENT

This Subordination Agreement ("Agreement") is effective as of the 13<sup>th</sup> day of August, 2004, by and between OLENE WALKER HOUSING LOAN FUND (the "Subordinated Lender") and UTAH COMMUNITY REINVESTMENT CORPORATION ("UCRC").

### RECITALS

A. DOMINGUEZ PARK III ASSOCIATES, 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 TWO MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$2,500,000) (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 the Borrower 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 or will be the beneficiary under that certain Deed of Trust (the "Subordinated Lender Trust Deed") executed by Borrower, as Trustor, and recorded in the official records of the Recorder's Office of Salt Lake County, State of Utah (the "Salt Lake County Recorder's Office"), on or after the date hereof. The Subordinated Lender Trust Deed, together with that certain Deed Restriction executed or to be executed or to be executed in connection therewith and recorded in the official records of the Salt Lake County Recorder's Office (the "Deed Restriction") encumbers the Subject Property and secures indebtedness to the Subordinated Lender under that certain Promissory Note in the principal sum of TWO HUNDRED NINETY THOUSAND AND NO/100 DOLLARS (\$290,000) (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, the Deed Restriction and 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.

c. An endorsement has been placed upon the note secured by the Subordinated Lender Trust Deed, 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, Department of Community and Economic Development, Division of Housing and Community Development, Administrator of the Olene Walker Housing Loan Fund  
2110 State Office Building  
Salt Lake City, Utah 84114  
Attn: Loan Receivable

With a copy to: Olene Walker Housing Loan Fund  
324 South State Street, #500  
Salt Lake City, Utah 84114-9302  
Attn: Director: DHCD


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.

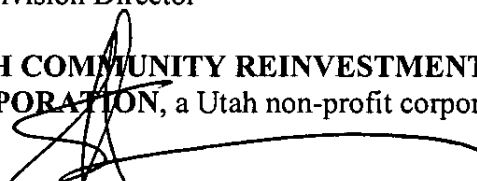
6. This Agreement may be signed in multiple counterparts with the same effect as if all signatories had executed the same instrument.

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

SUBORDINATED LENDER: **STATE OF UTAH, DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT, ADMINISTRATOR OF THE OLENE WALKER HOUSING LOAN FUND**

By:   
Its: Division Director

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

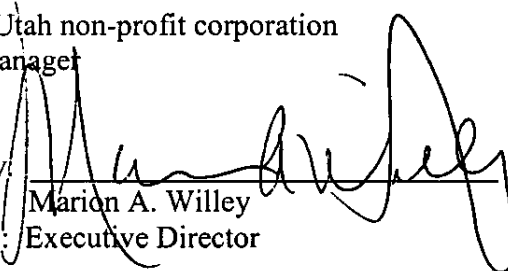
By:   
Steven L. Graham, President

ACKNOWLEDGED AND CONSENTED to as of this 13<sup>th</sup> day of August, 2004.

**DOMINGUEZ PARK III ASSOCIATES, LLC,**  
a Utah limited liability company ("Borrower")

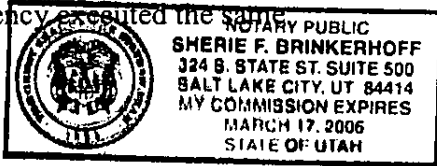
By: DOMINGUEZ PARK III MANAGEMENT, LLC,  
a Utah limited liability company  
Its: Manager

By: UTAH NON-PROFIT HOUSING CORPORATION,  
a Utah non-profit corporation  
Its: Manager

By:   
Marion A. Willey  
Its: Executive Director

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

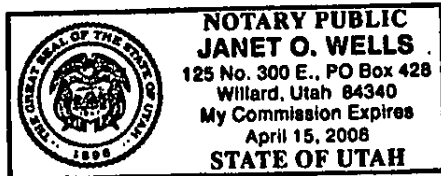
The foregoing instrument was acknowledged before me this 13 day of August, 2004, by Gordon D. Walker who, being duly sworn, did say that he is the Director of the Division of Housing and Community Development, State of Utah, the Administrator of the Olene Walker Housing Loan Fund and that the foregoing instrument was signed on behalf of the agency and the State of Utah by statutory authority, and that the aforesaid agency executed the same.



[Signature]  
Notary Signature and Seal

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

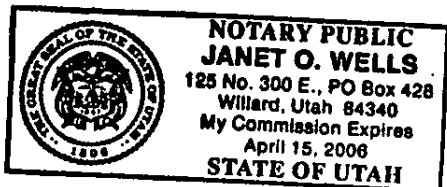
The foregoing instrument was acknowledged before me this 13 day of August, 2004, by Marion A. Willey, Executive Director of Utah Non-Profit Housing Corporation, a Utah non-profit corporation, Manager of Dominguez Park III Management, LLC, a Utah limited liability company, Manager of DOMINGUEZ PARK III ASSOCIATES, LLC, a Utah limited liability company.



[Signature]  
Notary Signature and Seal

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

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of August, 2004, by Steven L. Graham, the President of Utah Community Reinvestment Corporation, a Utah non-profit corporation.



[Signature]  
Notary Signature and Seal

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EXHIBIT A

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(Description of Subject Property)

Property located in Salt Lake County, Utah, more particularly described as follows:

A part of the Southeast Quarter of Section 35, Township 1 South, Range 1 West, Salt Lake Base and Meridian, U.S. Survey: Beginning at a point in the West line of 700 West Street, being South 89°55'00" West 206.07 feet and North 0°02'30" West 1204.454 feet and South 89°57'30" West 33.00 feet from the Southeast corner of said Section 35; and running thence South 89°57'30" West 30.00 feet; thence South 82°21'49" West 30.27 feet; thence South 89°57'30" West 405.00 feet; thence South 0°02'30" East 32.00 feet; thence South 89°57'30" West 303.23 feet; thence North 220.19 feet; thence North 89°57'30" East 608.07 feet; thence North 0°02'30" West 50.00 feet; thence North 89°57'30" East 160.00 feet to the West line of 700 West Street; thence South 0°02'30" East 234.19 feet along said West line of street to the point of beginning.

Together with a right-of-way and utility easement described as follows: Beginning at a point South 89°55'00" West 206.07 feet and North 0°02'30" West 1168.454 feet and South 89°57'30" West 33.0 feet from the Southeast corner of said Section 35; and running thence South 89°57'30" West 465.0 feet; thence North 0°02'30" West 32.0 feet; thence North 89°57'30" East 405.0 feet; thence North 82°21'40" East 30.27 feet; thence North 89°57'30" East 30.00 feet to the West line of 700 West Street; thence South 0°02'30" East 36.0 feet along said West line to the point of beginning.