

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

Kutak Rock LLP  
1760 Market Street, Suite 1100  
Philadelphia, Pennsylvania 19103  
Attention: Andrew P. Schmutz, Esquire

13517110  
12/30/2020 1:39:00 PM \$40.00  
Book - 11090 Pg - 9451-9466  
RASHELLE HOBBS  
Recorder, Salt Lake County, UT  
COTTONWOOD TITLE  
BY: eCASH, DEPUTY - EF 16 P.

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**SUBORDINATION AGREEMENT**

Among

**SYSTEMA CAPITAL FINANCE I LLC,**

**REDEVELOPMENT AGENCY OF SALT LAKE CITY,**

and

**255 STATE, LLC**

**Dated as of December 29, 2020**

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*FOR REFERENCE ONLY:  
PAYMENT TAX PAYER NOS.  
16-06-157-001  
16-06-157-002  
16-06-157-003  
16-06-157-004*

*CTIA 136778-JTF*  
4839-5855-7908.4

Ent 13517110 BK 11090 PG 9451

## SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT dated as of December 29, 2020 (as amended, modified, supplemented or assigned from time to time, this "**Agreement**") by and among SYSTIMA CAPITAL FINANCE I LLC, a limited liability company duly organized and validly existing under the laws of the State of Delaware (together with its permitted successors and assigns, the "**Senior Lender**"), REDEVELOPMENT AGENCY OF SALT LAKE CITY, a public entity duly organized and validly existing under the laws of the State of Utah (together with its permitted successors and assigns, "**Subordinate Lender**"), and 255 STATE, LLC, a limited liability company duly organized and validly existing under the laws of the State of Utah (together with its permitted successors and assigns, the "**Borrower**"),

### WITNESSETH:

WHEREAS, the Borrower is the owner of certain property located in Salt Lake City, Utah, more particularly described on Exhibit A attached hereto, on which the Borrower intends to construct certain improvements consisting of a 72-unit multifamily apartment facility, together with related amenities (such property and the improvements described above are collectively referred to herein as the "**Property**");

WHEREAS, the Property is being acquired and constructed, in part, with the proceeds of a loan in the aggregate principal amount of \$21,890,000 (the "**Loan**") pursuant to the Loan Agreement dated as of December 1, 2020, by and between the Senior Lender, Systima Capital Management LLC (the "**Lender Representative**") and the Borrower (as amended, modified or supplemented from time to time, the "**Loan Agreement**"); and

WHEREAS, pursuant to the Loan Agreement, the Borrower is obligated to make loan payments to the Lender in accordance with a certain note evidencing the Loan (as amended, modified, or supplemented from time to time, the "**Note**") in the amounts and at the times corresponding to the debt service and other payments required in respect of the Loan, which are secured by, among other things, a first-priority mortgage lien on the Property granted pursuant to a Construction Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (With Power of Sale) dated as of December 1, 2020 (as amended, modified or supplemented from time to time, the "**Senior Mortgage**", which, together with the Loan Agreement, the Note and all other agreements contemplated therein or evidencing or securing the Borrower's obligations under the Loan Agreement are hereinafter collectively referred to as the "**Senior Loan Documents**" and the indebtedness evidenced and secured by the Senior Loan Documents is hereinafter collectively referred to as the "**Senior Indebtedness**");

WHEREAS, the Property is being acquired and constructed, in part, with the proceeds of a loan to the Borrower made by Subordinate Lender, pursuant to an Acquisition Loan Agreement dated as of the date hereof (as amended, modified or supplemented from time to time, the "**Subordinate Loan Agreement**") and evidenced by a promissory note in the original face amount of \$2,036,206 (as amended, modified or supplemented from time to time, the "**Subordinate Note**");

WHEREAS, the Borrower's obligations to Subordinate Lender under the Subordinate Loan Agreement and the Subordinate Note (the "**Subordinate Indebtedness**") are secured by an Acquisition Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing of even date herewith (as amended, modified or supplemented from time to time, the "**Subordinate Mortgage**" and together with all other agreements securing the Subordinate Indebtedness (defined below), the "**Subordinate Mortgage Documents**") (the Subordinate Loan Agreement, the Subordinate Note, the Subordinate Mortgage Documents and all other agreements contemplated therein or evidencing or securing the Borrower's

obligations under the Subordinate Loan Agreement are hereinafter collectively referred to as the "Subordinate Loan Documents");

WHEREAS, it is a requirement of the Senior Loan Documents that the Senior Mortgage shall be and remain liens or charges upon the Property prior and superior to the lien or charge of the Subordinate Mortgage Documents, that the Subordinate Indebtedness be subordinated in right of payment to the Senior Indebtedness and that the Subordinate Indebtedness be payable solely from cash available after payment of operating expenses of the Property and amounts due and owing in respect of the Senior Indebtedness.

NOW, THEREFORE, in consideration of the foregoing and the mutual benefits accruing to the parties hereto and for other good and valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged and intending to be legally bound hereby, it is hereby declared, understood and agreed by the parties as follows:

1. Subordination of Subordinate Mortgage Documents. Subordinate Lender declares, agrees and acknowledges that the Senior Mortgage, and any renewals or extensions thereof, and any modifications thereof or substitutions therefor which do not increase the principal balance secured thereby (except increases by reason of protective advances or payment of Senior Lender's costs or increases to which Subordinate Lender has consented in accordance with Section 3(c) hereof) and all advances made pursuant to the Senior Mortgage, all costs and expenses secured thereby and interest on the foregoing, shall unconditionally be and remain at all times liens or charges on the Property prior and superior to the lien or charge of the Subordinate Mortgage Documents.

2. Subordination of Subordinate Indebtedness; Remitting Subordinate Loan Payments to Senior Lender; Reinstatement.

(a) The Subordinate Indebtedness is hereby subordinated in right of payment to any and all of the Senior Indebtedness and shall be payable only from and to the extent of revenues of the Property available after payment of all amounts then due and owing under the Senior Loan Documents and all current operating expenses of the Property. Notwithstanding the foregoing, unless and until the Senior Lender gives Subordinate Lender notice of the occurrence of a default under the Senior Loan Documents, Subordinate Lender may receive and accept regularly scheduled payments on account of principal and interest payable under the Subordinate Loan Documents, provided that Subordinate Lender expressly agrees that it will not accept any such payment that is made more than 10 days in advance of its due date and provided further that Subordinate Lender will not accept any payment in an amount that exceeds 75% of Surplus Cash of the Borrower. "Surplus Cash" means, with respect to any period, any revenues of Borrower remaining after paying, or setting aside funds for paying, all the following: (i) all sums due or currently required to be paid under the Senior Loan Documents, including any reserves and Impositions; and (ii) all reasonable operating expenses of the Property, including real estate taxes, insurance premiums, utilities, building maintenance, painting and repairs, management fees, payroll, administrative expenses, legal expenses and audit expenses (excluding any developer fees payable with respect to the Property).

(b) If Subordinate Lender shall receive any payments or other rights in any property of the Borrower or any other obligor after the Senior Lender has given Subordinate Lender notice of a default under the Senior Loan Documents, such payment or property shall be received by Subordinate Lender in trust for Senior Lender and shall promptly be delivered and transferred to Senior Lender.

(c) If at any time payment of all or any part of the Senior Indebtedness is rescinded or must otherwise be restored or returned by Senior Lender in connection with any bankruptcy, reorganization, arrangement, insolvency, liquidation or similar proceedings (a "Proceeding") in respect of Borrower, Managing Member or any other obligor, and Subordinate Lender has received payment of all or any part

of the Subordinate Indebtedness, Subordinate Lender shall forthwith turn over the same to, and for the account of, Senior Lender, until Senior Lender has received indefeasible payment in full of any such payments on the Senior Indebtedness that have been so rescinded, restored or returned.

3. Exercise of Remedies.

(a) Subordinate Lender declares, agrees, and acknowledges that it will not, without the prior written consent of Senior Lender, which consent shall not be unreasonably withheld, conditioned, or delayed: (i) sue the Borrower or any other obligor under any of the Subordinate Loan Documents; (ii) accelerate or accept a prepayment in full or in part of the Subordinate Indebtedness; (iii) commence any action to foreclose or exercise any power of sale under the Subordinate Mortgage; (iv) accept a deed or assignment in lieu of foreclosure for the Property or any part or portion thereof; (v) seek or obtain a receiver for the Property or any part or portion thereof; (vi) take possession or control of the Property, or collect or accept any rents from the Property; (vii) take any action that would terminate any leases or other rights held by or granted to or by third parties with respect to the Property; (viii) initiate or join any other creditor in commencing any Proceeding with respect to the Borrower or any other obligor; (ix) incur any obligation to the Borrower or any other obligor other than as provided in the Subordinate Loan Agreement, (x) exercise any other remedies under the Subordinate Loan Documents; or (xi) take any other enforcement action against the Borrower or any other obligor or against the Property or any part or portion thereof.

(b) Subordinate Lender agrees that Senior Lender shall have, as determined in accordance with and subject to the terms of the Senior Loan Documents, upon the occurrence of an Event of Default under and as defined in the Senior Loan Documents, the right to (i) accelerate or accept prepayment in full or in part of the Senior Indebtedness; (ii) commence any action to foreclose or exercise any power of sale under the Senior Mortgage; (iii) accept a deed or assignment in lieu of foreclosure for the Property or any part or portion thereof; (iv) seek or obtain a receiver for the Property or any part or portion thereof; (v) take possession or control of the Property, and collect and accept rents from the Property; (vi) sue the Borrower or any other obligor under any of the Senior Loan Documents; (vii) exercise any rights of set-off or recoupment that Senior Lender may have against the Borrower or any other obligor; (viii) exercise any other remedies under the Senior Loan Documents; or (ix) take any other enforcement action against the Property or any part or portion thereof, all without any responsibility or liability to Subordinate Lender with respect to the Property, the Borrower, the Managing Member or any other obligor.

(c) Subordinate Lender agrees that Senior Lender shall have absolute power and discretion, without notice to Subordinate Lender, to deal in any manner with the Senior Indebtedness, including interest, costs and expenses payable by the Borrower to Senior Lender, and any security and guaranties therefor, including, but not by way of limitation, release, surrender, extension, renewal, acceleration, compromise or substitution; provided that Senior Lender shall not increase the principal amount of the indebtedness to which the Subordinate Loan Documents are subordinate (other than increases resulting from protective advances or payment of Senior Lender's costs) without the prior written consent of Subordinate Lender, which consent shall not be unreasonably withheld or delayed.

(d) Subordinate Lender further agrees that if at any time Subordinate Lender should commence any foreclosure proceeding, or commence any action to execute on any lien obtained by way of attachment or otherwise on the Property, or otherwise take any action prohibited under Paragraph 3(a), Senior Lender shall (unless Senior Lender has consented to such action or remedy) be entitled to have the same vacated, dissolved and set aside by such proceedings at law or otherwise as Senior Lender may deem proper, and this Agreement shall be and constitute full and sufficient grounds therefor and shall entitle Senior Lender to become a party to any proceedings at law or otherwise in or by which Senior Lender may deem it proper to protect its interests hereunder.

(e) No act, omission, breach or other event under this Agreement shall defeat, invalidate or impair in any respect the absolute, unconditional and irrevocable subordination of the Subordinate Loan Documents to the Senior Loan Documents as provided in this Agreement.

4. No Marshaling of Assets. Subordinate Lender specifically waives and renounces any right which it may have under any applicable statutes, whether at law or in equity, to require Senior Lender to marshal collateral or to otherwise seek satisfaction from any particular assets or properties of the Borrower or from any third party.

5. Bankruptcy Matters.

(a) The subordination provided for in this Agreement shall apply, notwithstanding the availability of other collateral to Senior Lender or the actual date and time of execution, delivery, recordation, filing or perfection of the Senior Mortgage or the Subordinate Mortgage Documents and, insofar as Subordinate Lender is concerned, notwithstanding the fact that the Senior Indebtedness or any claim for the Senior Indebtedness may be subordinated, avoided or disallowed, in whole or in part, as against the Borrower or any other obligor under the Bankruptcy Code or other applicable federal or state law. In the event of any Proceeding, the Senior Indebtedness shall include all interest and fees accrued on the Senior Indebtedness, in accordance with and at the rates specified in the Senior Loan Documents, both for periods before and for periods after the commencement of such Proceeding, even if the claim for such interest and/or fees is not allowed as against the Borrower or any other obligor pursuant to applicable law.

(b) Without the prior written consent of Senior Lender, which consent shall not be unreasonably withheld, conditioned, or delayed, Subordinate Lender shall not, and Subordinate Lender waives any and all right: (1) to request adequate protection (as that term is defined in the Bankruptcy Code) (and in the event any such adequate protection is awarded to Subordinate Lender, Subordinate Lender hereby assigns any adequate protection in the form of cash to Senior Lender and any adequate protection in the form of a lien on or security interest in the Property or any other Collateral is hereby subordinated to all of Senior Lender's rights, liens or security interests in or to the Property and such other Collateral), (2) to file or support any motion for dismissal or relief from the automatic stay (as defined in the Bankruptcy Code), (3) to request any post-petition interest, (4) to request any sale of Borrower's assets, or (5) to file, propose, support, accept or reject any plan of reorganization of Borrower. Subordinate Lender further agrees that, with respect to any Proceeding: (1) it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action in any Proceeding by or against the Borrower or any other obligor without the prior written consent of Senior Lender; (2) Senior Lender may vote in any such Proceeding any and all claims of Subordinate Lender against the Borrower or any other obligor, and Subordinate Lender hereby appoints Senior Lender as its agent, and grants to Senior Lender an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to Subordinate Lender in connection with any case by or against the Borrower or any other obligor in any Proceeding, including without limitation, the right to file and/or prosecute any claims, to vote to accept or reject a plan, and to make any election under Section 1111(b) of the Bankruptcy Code; and (3) Subordinate Lender shall not challenge the validity or amount of any claim submitted in such Proceeding by Senior Lender in good faith or any valuations of the Property or any other Collateral, or any portion of the foregoing, or other Senior Indebtedness collateral submitted by Senior Lender in good faith, in such Proceeding or take any other action in such Proceeding, which is adverse to Senior Lender's enforcement of its claim or receipt of adequate protection (as that term is defined in the Bankruptcy Code).

(c) Subordinate Lender agrees that Senior Lender does not owe any fiduciary duty to Subordinate Lender in connection with the administration of the Senior Indebtedness and the Senior Loan Documents and Subordinate Lender agrees not to assert any such claim. Subordinate Lender acknowledges

that Senior Lender shall have the sole discretion to exercise or not exercise the rights set forth in this Agreement from time to time; and that such rights may be exercised solely in the interest of Senior Lender and without regard to the interest of Subordinate Lender in any action or proceeding, including in connection with any Proceeding.

6. Payment Set Aside. To the extent any payment under any of the Senior Loan Documents (whether by or on behalf of the Borrower, as proceeds of security or enforcement of any right of set-off, or otherwise) is declared to be fraudulent or preferential, set aside or required to be paid to a trustee, receiver or other similar party under the Bankruptcy Code or any federal or state bankruptcy, insolvency, receivership or similar law, then if such payment is recovered by, or paid over to, such trustee, receiver or other similar party, the Senior Indebtedness or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

7. Casualty and Condemnation Proceeds. Subordinate Lender agrees its rights to participate in the adjustment of the proceeds of insurance payable as the result of any casualty to the Improvements, or to participate in any manner whatsoever in activities relating to restoration or reconstruction of the Improvements, shall be subordinate to Senior Lender's rights under the Senior Loan Documents, and Senior Lender shall have the exclusive right to receive, administer and apply all such proceeds as set forth in the Senior Loan Documents. All loss proceeds will be applied either to the costs of restoration or to payment on account of the Senior Lender. Upon Senior Lender's release, for the purposes of restoration of all or any part of the Property, of its right, title and interest in and to the proceeds under policies of insurance thereon, and/or its right, title and interest in and to any awards, or its right, title and interest in and to other compensation made for any damages, losses or compensation for other rights by reason of a taking in eminent domain, Subordinate Lender shall simultaneously release for such purpose all of Subordinate Lender's right, title and interest, if any, in and to all such insurance proceeds, awards or compensation. Subordinate Lender agrees that the balance of such proceeds remaining after such restoration, or all of such proceeds in the event such proceeds are not released for any such restoration pursuant to the Senior Loan Documents, shall be applied to the payment of amounts due under the Senior Loan Documents until all such amounts have been indefeasibly paid in full, and any remaining loss proceeds held by Senior Lender will be paid to Subordinate Lender for application to the payment of any amounts due under the Subordinate Loan Documents. If Senior Lender holds such proceeds, awards or compensation and/or monitors the disbursement thereof, Subordinate Lender agrees that Senior Lender shall also hold and monitor the disbursement of such proceeds, awards and compensation to which Subordinate Lender is or may be entitled. Nothing contained in this Agreement shall be deemed to require Senior Lender, in any way whatsoever, to act for or on behalf of Subordinate Lender or to hold or monitor any proceeds, awards or compensation in trust for or on behalf of Subordinate Lender.

8. Indemnification and Subrogation. If Subordinate Lender or any affiliate shall acquire, by indemnification, subrogation or otherwise, any lien, estate, right or other interest in the Property, that lien, estate, right or other interest shall be subordinate to the Senior Mortgage and the other Senior Loan Documents as provided herein, and Subordinate Lender or such affiliate hereby waives, until all amounts owed under the Senior Loan Documents have been indefeasibly paid in full, the right to exercise any and all such rights it may acquire by indemnification, subrogation or otherwise.

9. Subordination Effective. This Agreement, the subordination effected hereby, and the respective rights and priorities of the parties hereto in and to the Property, shall be effective as stated herein, notwithstanding any modification or amendment of any Senior Loan Document (other than any modification or amendment of any Senior Loan Document that increases the amount of indebtedness to which the Subordinate Indebtedness is subordinate for reasons other than protective advances or costs of Senior Lender), or the obtaining by Senior Lender or Subordinate Lender of any additional document

confirming, perfecting or otherwise affecting the Senior Loan Documents, or the Subordinate Loan Documents, as the case may be.

10. Amendments of Subordinate Loan Documents and Senior Loan Documents. The Borrower and Subordinate Lender agree that they will not enter into any amendment, modification or supplement to any of the Subordinate Loan Documents without the express prior written consent of Senior Lender (which consent shall not be unreasonably withheld, conditioned, or delayed). No consent of Subordinate Lender shall be required for any amendment, modification or supplement to any of the Senior Loan Documents, provided that no amendment, modification or supplement to any of the Senior Loan Documents shall increase the amount of indebtedness to which the Subordinate Loan Documents are subordinate other than increases resulting from protective advances or costs of Senior Lender.

11. Notice of Defaults. Subordinate Lender hereby agrees to deliver to Senior Lender a copy of each notice delivered by Subordinate Lender to Borrower pursuant to the Subordinate Loan Documents. Neither giving nor failing to provide such notice to Senior Lender will affect the validity of a notice given by Subordinate Lender to Borrower.

12. Cross Default. The Borrower and Subordinate Lender agree that a default under the Subordinate Loan Documents or Subordinate Lender's default hereunder shall, at the election of Senior Lender, constitute a default under the Senior Loan Documents and Senior Lender shall have the right to exercise all rights or remedies under the Senior Loan Documents in the same manner as in the case of any other default under the Senior Loan Documents. If Subordinate Lender notifies Senior Lender in writing that any default under the Subordinate Loan Documents has been cured or waived, as determined by Subordinate Lender in its sole discretion, then provided that Senior Lender has not conducted a foreclosure or exercised its rights with respect to the power of sale of the Property pursuant to its rights under the Senior Loan Documents, any default under the Senior Loan Documents arising solely from such default under the Subordinate Loan Documents shall be deemed cured, and the Senior Indebtedness shall be reinstated.

13. 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 payment of all of the principal of, interest on and other amounts payable under the Subordinate Loan Documents, other than by reason of payments which Subordinate Lender is obligated to remit to Senior Lender pursuant to the terms hereof; (iii) 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 Mortgage, and the Senior Indebtedness is extinguished; or (iv) the acquisition by Subordinate 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 Subordinate Mortgage, but only if such acquisition of title does not violate any of the terms of this Agreement, and the Subordinate Indebtedness is extinguished.

14. Further Assurances. The parties hereto shall cooperate fully with each other in order to carry out promptly and fully the terms and provisions of this Agreement. Each party hereto shall from time to time execute and deliver such other agreements, documents or instruments and take such other actions as may be reasonably necessary or desirable to effectuate the terms of this Agreement.

15. No Waiver. 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.

16. Equitable Remedies. Each party hereto acknowledges that, to the extent that no adequate remedy at law exists for breach of its obligations under this Agreement, in the event any party fails to comply with its obligations hereunder, the aggrieved party shall have the right to obtain specific performance of the obligations of such defaulting party, injunctive relief, or such other equitable relief as may be available, other than consequential or punitive damages.

17. Notices. Any notice to be given under this Agreement shall be in writing and shall be deemed to be given when received by the party to whom it is addressed. Notwithstanding the foregoing, if any such notice is not received or cannot be delivered due to a change in the address of the receiving party of which notice was not previously given to the sending party or due to a refusal to accept by the receiving party, such notice shall be deemed received on the date delivery is attempted. Notices shall be in writing and sent by certified U.S. mail, hand delivery, or by special courier (in each case, return receipt requested). Notices to any other party hereto shall be sent to the parties at the following addresses or such other address or addresses as shall be designated by such party in a written notice to the other parties:

If to Lender:

Systema Capital Finance I LLC  
c/o Systema Capital Management LLC  
444 W. Lake Street, Suite 4925  
Chicago, IL 60606  
Attention: Managing Director  
E-mail: servicing@systemacapital.com

If to Subordinate Lender:

Redevelopment Agency of Salt Lake City  
Attention: Executive Director  
Room 118, City & County Building  
451 South State Street  
P.O. Box 145518  
Salt Lake City, Utah 84114-5518

If to Borrower:

255 State, LLC  
666 Dundee Road, Suite 1102  
Northbrook, Illinois 60062  
Attention: David Brint

With a copy to:

Applegate & Thorne-Thomsen, P.C.  
425 S. Financial Place, Suite 1900  
Chicago, Illinois 60605  
Attention: Ben Applegate

USA Institutional State Street LLC  
777 West Putnam Ave  
Greenwich, CT 06830  
Attention: Joanne D. Flanagan



Each Notice shall be effective the day delivered if personally delivered, the next business day if sent by overnight courier or three (3) days after being deposited in the United States Mail as aforesaid. Rejection or other refusal to accept or the inability to deliver because of changed address for which no Notice was given shall be deemed to be receipt of the Notice sent. Each of the parties hereto shall have the right from time to time and at any time during the term of this Agreement to change its respective address and the right to specify as its address any other address within the United States of America.

18. No Third Party Beneficiaries. No person or entity other than the parties hereto and their respective successors and assigns shall have any rights under this Agreement.

19. Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. To the fullest extent permitted by applicable law, facsimile or electronically transmitted signatures shall constitute original signatures for all purposes under this Agreement.

20. Amendment, Supplement, Modification, Waiver and Termination. No amendment, supplement, modification, waiver or termination of this Agreement shall be effective unless (i) the party against whom the enforcement of such amendment, supplement, modification, waiver or termination would be asserted, has consented in writing to such amendment, supplement, modification, waiver or termination, and (ii) the Lender Representative has consented in writing to such amendment, supplement, modification, waiver or termination. All amendments shall be made in accordance with any applicable provisions of the Loan Agreement.

21. Severability. In case any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality and other application thereof, shall not in any way be affected or impaired thereby.

22. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Utah, without giving effect to its conflict of laws principles.

23. Captions. Captions and headings in this Agreement are for convenience of reference only and shall not define, expand or limit the provisions hereof.

24. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

25. Integration. This Agreement sets forth the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, written or oral, relating thereto.

26. Obligors Unaffected. Notwithstanding that the Borrower is a party hereto and anything to the contrary contained herein, this Agreement shall not be deemed or interpreted so as to limit or expand or otherwise modify the rights and remedies of Senior Lender under the Senior Loan Documents or Subordinate Lender under the Subordinate Loan Documents insofar as they relate to the Borrower or any other obligor, or to diminish or change the obligations of, the Borrower or any other obligor under any of the foregoing.

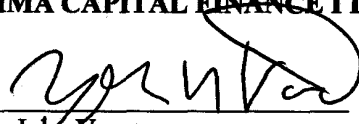
27. Definitions. Capitalized terms used herein and not defined shall have the meanings ascribed to such terms in the Loan Agreement.

28. Representation Regarding Ethical Standards for City Officers and Employees and Former City Officers and Employees. Senior Lender and Borrower each represent that it has not: (1) provided an illegal gift or payoff to a Subordinate Lender or Salt Lake City Corporation ("City") officer or employee or former Subordinate Lender or 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, 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 the Salt Lake 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 Subordinate Lender or City officer or employee or former Subordinate Lender or City officer or employee to breach any of the ethical standards set forth in the Salt Lake City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

[The remainder of this page is left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have executed this Subordination Agreement as of the date and year first above written.

**SYSTEMA CAPITAL FINANCE I LLC**

By:   
Name: John Varones  
Title: Authorized Signatory

**REDEVELOPMENT AGENCY OF SALT LAKE CITY**

By: \_\_\_\_\_  
Name: Danny Walz  
Title: Chief Operating Officer

**255 STATE, LLC, a Utah limited liability company**

By: 255 State Manager, LLC, a Utah limited liability company, its managing member

By: Brinshore Development, L.L.C., an Illinois limited liability company, its sole member

By: Brint Development, Inc., an Illinois corporation, a member

By: \_\_\_\_\_  
Name: David Brint  
Title: President

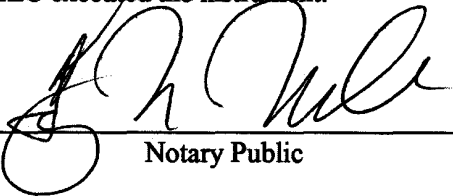
STATE OF IL )

) ss.

COUNTY OF Lake )

On December 15, 2020, before me, Tracy Miller, a Notary Public, personally appeared John Varones, Authorized Signatory of Systema Capital Finance I LLC, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument Systema Capital Finance I LLC executed the instrument.

WITNESS my hand and official seal.

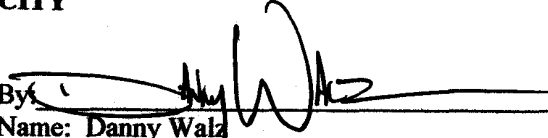
  
\_\_\_\_\_  
Notary Public

(SEAL)






**REDEVELOPMENT AGENCY OF SALT LAKE CITY**

By:   
Name: Danny Walz  
Title: Chief Operating Officer

Approved as to legal form:

  
Kimberly Chytraus (Dec 21, 2020 14:33 MST)  
Kimberly K. Chytraus, Senior City Attorney

RECEIVED

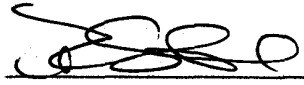
DEC 23 2020

CITY RECORDER

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

On December 22, 2020, before me, Robyn Smith a Notary Public, personally appeared Danny Walz, Chief Operating Officer of the Redevelopment Agency of Salt Lake City, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the Redevelopment Agency of Salt Lake City executed the instrument.

WITNESS my hand and official seal.

  
Notary Public

(SEAL) 

IN WITNESS WHEREOF, the parties hereto have executed this Subordination Agreement as of the date and year first above written.

**SYSTEMA CAPITAL FINANCE I LLC**

By: \_\_\_\_\_  
Name: John Varones  
Title: Authorized Signatory

**REDEVELOPMENT AGENCY OF SALT LAKE CITY**


By: \_\_\_\_\_  
Name: Danny Walz  
Title: Chief Operating Officer

**255 STATE, LLC, a Utah limited liability company**

By: 255 State Manager, LLC, a Utah limited liability company, its managing member

By: Brinshore Development, L.L.C., an Illinois limited liability company, its sole member

By: Brint Development, Inc., an Illinois corporation, a member

By:  \_\_\_\_\_  
Name: David Brint  
Title: President

STATE OF Illinois )  
 ) ss.  
COUNTY OF Cook )

On December 14, 2020, before me, Sally Lewinski, a Notary Public, personally appeared David Brint, President of Brint Development, Inc., an Illinois corporation, a member of Brinshore Development, L.L.C., an Illinois limited liability company, the sole member of 255 State Manager, LLC, a Utah limited liability company, the managing member of 255 State, LLC, a Utah limited liability company, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument he executed the instrument on behalf of 255 State, LLC.

WITNESS my hand and official seal.

Sally Lewinski  
Notary Public

(SEAL)

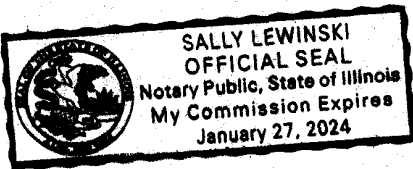


EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

PARCEL 1:

SCM-B Unit, SCM-C Unit and Parking Unit 2, contained within the State Street Condominiums as the same is identified in the Plat of Condominium recorded in Salt Lake County, Utah, on DECEMBER 29, 2020 as Entry No. 13915728 (as said Record of Survey Plat shall have heretofore been amended or supplemented) and in the Declaration of Condominium for State Street Condominiums, recorded in Salt Lake County, Utah on DECEMBER 29, 2020 as Entry No. 13915729, in Book No. 11090 at Page 567 (as said Declaration may have heretofore been amended or supplemented).

TOGETHER WITH the undivided ownership interest in said Project's Common Elements that is appurtenant to said Units as more particularly described in said Declaration.

PARCEL 2:

A nonexclusive easement for the purpose of (a) providing pedestrian and vehicular access, and (b) the running and maintenance of underground utilities, as established and described in Cross Easement Agreement recorded April 11, 2012 as Entry No. 11368179 in Book 10007 at Page 5320 of the official records of the Salt Lake County Recorder, as amended by First Amendment to Cross Easement Agreement recorded DECEMBER 29, 2020 as Entry No. 13916028 in Book 11090 at Page 2516 of the official records of the Salt Lake County Recorder.

PARCEL 3:

A non-exclusive right of way over an existing alleyway commonly known as "Floral Avenue" or "Floral Street", located in Lot 6, Block 56, Plat "A", Salt Lake City Survey, purported to be 16 feet in width, extending South from the North line of said Lot 6 to the Northerly most line of the exterior boundary of the State Street Condominiums as described on the Plat of Condominium recorded in Salt Lake County, Utah, on DECEMBER 29, 2020 as Entry No. 13915728, said right of way being disclosed in various instruments of record, including that certain Warranty Deed recorded January 6, 2000 as Entry No. 7549476 in Book 8334 at Page 8191 of the official records of the Salt Lake County Recorder.9% Legal Description: