

4447609

After Recording, please return to

Tacy A. Hartman, Esq.  
 c/o Van Cott, Bagley, Cornwall  
 & McCarthy  
 P.O. Box 45340  
 Salt Lake City, Utah 84145-0340

RECORDED

Tax Parcel I.D. No.: 15-03-261-022  
 & 15-03-261-009

MAY 04 2005

## CITY RECORDER SUBORDINATION AGREEMENT

This Subordination Agreement ("Agreement") is effective as of the 4 day of ~~April~~ <sup>May</sup>, 2005, by and between SALT LAKE CITY CORPORATION (the "Subordinated Lender") and UTAH COMMUNITY REINVESTMENT CORPORATION ("UCRC").

RECITALS

A. WESTGATE BC II 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 ONE MILLION EIGHTY-FIVE THOUSAND AND NO/100 DOLLARS (\$1,085,000) (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 the beneficiary under that certain Deed of Trust with Assignment of Rents (the "Subordinated Lender Trust Deed") dated September 01, 2004, executed by Borrower, as Mortgagor 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 September 08, 2004 as Entry No. 9166577 in Book 9034 at Page 9704. The Subordinated Lender Trust Deed encumbers the Subject Property and secures indebtedness to the Subordinated Lender under that certain Promissory Note in the principal sum of ONE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$150,000) dated on or about September 1, 2004, (the "Subordinated Lender Note"). The Subordinated Lender Note, the Subordinated Lender Trust

Deed, 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 to any claim to such property by Subordinated Lender.

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; provided, however, that UCRC may not increase the principal amount of the Note without Subordinated Lender's consent.

b. It intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Subordinated Lender Trust Deed and the Deed Restriction 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.

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:

SALT LAKE CITY CORPORATION  
Attn: LuAnn Clark  
451 South State Street, Room 406  
Salt Lake City, Utah 84111

With a copy to:

SALT LAKE CITY CORPORATION  
Larry V. Spendlove  
451 South State Street, Room 505  
Salt Lake City, UT 84111

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.

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

SUBORDINATED LENDER: **SALT LAKE CITY CORPORATION**,  
a body politic of the State of Utah

ATTEST:

*Beverly Jones*  
DEPUTY CITY RECORDER

By: *[Signature]*  
Ross C. Anderson,  
Mayor of Salt Lake City Corporation

**RECORDED**  
MAY 04 2005  
**CITY RECORDER**

UTAH COMMUNITY REINVESTMENT CORPORATION, a Utah non-profit corporation  
By: *[Signature]*  
Steven L. Graham, President

APPROVED AS TO FORM  
Salt Lake City Attorney's Office  
Date: *4/27/2005*  
By: *[Signature]*



ACKNOWLEDGED AND CONSENTED to as of this \_\_\_ day of April, 2005.

**WESTGATE BC II ASSOCIATES LLC**,  
a Utah limited liability company

By: **WESTGATE BC II MANAGEMENT LLC**,  
a Utah limited liability company  
Its: Manager

By: *[Signature]*  
David Baus  
Its: Manager

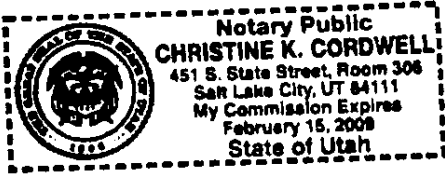
STATE OF UTAH                    )  
   ): ss.  
COUNTY OF SALT LAKE      )

The foregoing instrument was acknowledged before me this 30 day of <sup>MAY</sup> April, 2005, by Ross C. Anderson, who being duly sworn, did say that he is the Mayor of Salt Lake City

Corporation, a body corporate and politic of the State of Utah, and that the foregoing instrument was signed on behalf of the City by statutory authority, and that the aforesaid City executed the same.

*Christine K. Cordwell*

Notary Signature and Seal

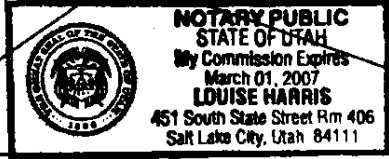


STATE OF UTAH )  
 : SS.  
COUNTY OF SALT LAKE )

The foregoing instrument was acknowledged before me this 13 day of April, 2005, by David Baus, the Manager of WESTGATE BC II MANAGEMENT LLC, a Utah limited liability company, Manager of WESTGATE BC II ASSOCIATES LLC, a Utah limited liability company.

*Louise Harris*

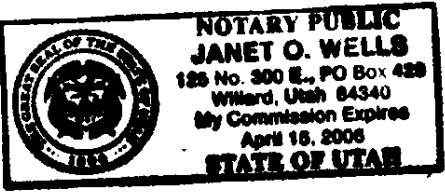
Notary Signature and Seal



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

The foregoing instrument was acknowledged before me this 4<sup>th</sup> day of ~~April~~ <sup>May</sup>, 2005, by Steven L. Graham, the President of Utah Community Reinvestment Corporation, a Utah non-profit corporation.

*Janet O. Wells*  
Notary Signature and Seal



ACKNOWLEDGED AND CONSENTED to as of this 3<sup>rd</sup> day of May, 2005.

**WESTGATE BC II ASSOCIATES LLC,**  
a Utah limited liability company ("Borrower")

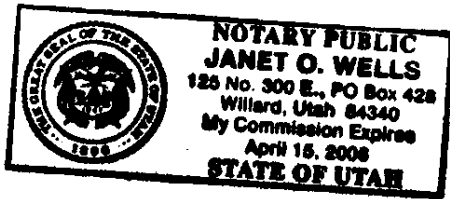
By: **WESTGATE BC II MANAGEMENT LLC,**  
a Utah limited liability company  
Its: Manager

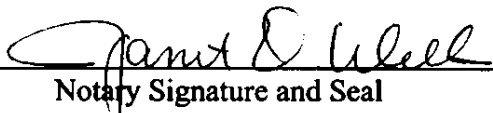
By: **B.C. DEVELOPMENT GROUP, LLC,**  
a Utah limited liability company  
Its: Manager

By:   
David Baus  
Its: Manager

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

The foregoing instrument was acknowledged before me this 4<sup>th</sup> day of May, 2005, by David Baus, the Manager of B.C. DEVELOPMENT GROUP, LLC, a Utah limited liability company, Manager of WESTGATE BC II MANAGEMENT LLC, a Utah limited liability company, Manager of WESTGATE BC II ASSOCIATES LLC, a Utah limited liability company.



  
Notary Signature and Seal

---

EXHIBIT "A"

---

(Legal Description of the Property)

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

PARCEL 1:

LOT 1 THROUGH 13, BLOCK 1, IRVING PARK ADDITION, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE SALT LAKE COUNTY RECORDER'S OFFICE, TOGETHER WITH VACATED ALLEY ABUTTING SAID PROPERTY.

PARCEL 2:

LOTS 5 AND 6, BLOCK 3, MILES AND HAMILTON SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE SALT LAKE COUNTY RECORDER'S OFFICE.

PARCELS 1 AND 2 ALSO DESCRIBED BY SURVEY AS FOLLOWS:

A PART OF THE NORTHEAST QUARTER OF SECTION 3, TOWNSHIP 1 SOUTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN. LOTS 1 THROUGH 13, BLOCK 1, IRVING PARK ADDITION AND LOTS 5 AND 6, BLOCK 3, MILES AND HAMILTON ADDITION, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE SALT LAKE COUNTY RECORDER'S OFFICE, PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID BLOCK 1, IRVING PARK ADDITION, SAID POINT BEING AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF 300 SOUTH STREET AND THE EAST RIGHT-OF-WAY LINE OF FOSS AVENUE; RUNNING THENCE NORTH 00°04'23" WEST 342.25 FEET ALONG SAID EAST RIGHT-OF-WAY LINE TO THE NORTHWEST CORNER OF LOT 13 OF SAID BLOCK 1; THENCE NORTH 89°58'07" EAST 123.00 FEET ALONG THE NORTH LINE OF SAID LOT 13 TO THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTH 00°04'23" EAST 198.99 FEET ALONG THE EAST LINE OF SAID BLOCK 1 TO THE NORTHWEST CORNER OF SAID LOT; THENCE NORTH 89°58'07" EAST 52.00 FEET TO THE NORTHEAST CORNER OF SAID LOT 5; THENCE SOUTH 00°04'23" EAST 143.26 FEET (139.0 FEET RECORD) TO SAID NORTH RIGHT-OF-WAY LINE; THENCE SOUTH 89°58'07" WEST 175.00 FEET ALONG SAID NORTH RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING.