

WHEN RECORDED, RETURN TO:
 Utah Housing Corporation
 2479 South Lake Park Boulevard
 West Valley City, Utah 84120
 Attn: President

9577991
 12/09/2005 03:17 PM \$40.00
 Book - 9228 Pg - 3068-3083
 GARY W. OTT
 RECORDER, SALT LAKE COUNTY, UTAH
 UTAH HOUSING CORPORATION
 2479 S LAKE PARK BLVD
 WVC UT 84120
 BY: ZJM, DEPUTY - WI 16 P.

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "Agreement") is entered into as of the 9th day of December, 2005 by and between UTAH HOUSING CORPORATION, a public corporation ("Senior Lender"), SALT LAKE COUNTY (the "Subordinate Lender") and LIBERTY METRO HOUSING PARTNERS, L.P. a Utah limited partnership (the "Borrower").

Recitals

A. The Borrower owns certain property located in Salt Lake City more fully described in Exhibit A attached hereto (the "Property") on which a housing project has been constructed (the "Project").

B. In connection with the development and construction of the Project, the Subordinate Lender has previously made three loans to the Borrower, which are now evidenced by a Secured Promissory Note dated August 4, 2005 in the amount of \$510,000 made by the Borrower to the order of the Subordinate Lender (the "Subordinate Note"), which secured by a Trust Deed recorded December 19, 2003, as Entry No. 8929188, in Book 8925, at Page 6217, Salt Lake County Recorder's Office, a Trust Deed recorded May 12, 2004, as Entry No. 9060046 in Book 8986 at Page 5659, Salt Lake County Recorder's Office, and a Trust Deed recorded August 11, 2005, as Entry No. 9458426 in Book 9172 at Page 4681, Salt Lake County Recorder's Office (collectively, the "Subordinate Mortgages").

C. The Borrower has also recorded a deed restriction against the Property in favor of Subordinate Lender, recorded December 19, 2003, as Entry No. 8929187, in Book 8925, at Page 6214, Salt Lake County Recorder's Office, which requires compliance with the federal HOME Investment Partnership Program affordability requirements set forth at 24 CFR 92.252 for HOME-assisted units within the Project (the "Deed Restriction").

D. The Borrower has requested that the Senior Lender provide permanent financing for the Project by making loans (the "Senior Lender's Mortgage Loan") to the Borrower in the total original principal amount of \$2,100,000, to be secured by a first mortgage lien on the Property (the "Senior Lender Mortgage"), and to be evidenced by a Promissory Note in the original principal amount of \$1,900,000 and by a Promissory Note in the original principal amount of \$200,000, each of even date herewith (the "Senior Lender's Mortgage Notes").

E. The Senior Lender has agreed to make the Senior Lender's Mortgage Loan on the condition that the Subordinate Lender execute and record a subordination agreement in the form hereof.

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

1. **Definitions.**

In addition to the terms defined in the Recitals to this Agreement, for purposes of this Agreement the following terms have the respective meanings set forth below:

(a) "Affiliate" means, when used with respect to a Person, any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or individual controlled by, under common control with, or which controls such Person (the term "control" for these purposes shall mean the ability, whether by the ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to make management decisions on behalf of, or independently to select the managing partner of, a partnership, or otherwise to have the power independently to remove and then select a majority of those individuals exercising managerial authority over an entity, and control shall be conclusively presumed in the case of the ownership of 50% or more of the equity interests).

(b) "Borrower" means the Person named as such in the first paragraph of this Agreement and any other Person (other than the Senior Lender) who acquires title to the Property after the date of this Agreement.

(c) "Business Day" means any day other than Saturday, Sunday or a day on which the Senior Lender is not open for business.

(d) "Default Notice" means: (a) a copy of the written notice from the Senior Lender to the Borrower stating that a Senior Lender's Mortgage Loan Default has occurred under an Senior Lender's Mortgage Loan; or (b) a copy of the written notice from the Subordinate Lender to the Borrower stating that a Subordinate Loan Default has occurred under the Subordinate Loan. Each Default Notice shall specify the default upon which such Default Notice is based.

(e) "Person" means an individual, estate, trust, partnership, corporation, limited liability company, limited liability partnership, governmental department or agency or any other entity which has the legal capacity to own property.

(f) "Senior Lender" means the Person named as such in the first paragraph on page 1 of this Agreement and any other Person who becomes the legal holder of the Senior Lender's Mortgage Notes after the date of this Agreement.

(g) "Senior Lender's Documents" means the Senior Lender's Mortgage Notes, the Senior Lender Mortgage and all other documents evidencing, securing or otherwise executed by Borrower and delivered in connection with the Senior Lender's Mortgage Loan.

(h) "Senior Lender's Mortgage Loan Default" means the occurrence of an "Event of Default" as that term is defined in the Senior Lender's Documents.

(i) "Subordinate Lender" means the Person named as such in the first paragraph on page 1 of this Agreement and any other Person who becomes the legal holder of the Subordinate Notes after the date of this Agreement.

(j) "Subordinate Lender's Documents" means the Subordinate Notes, the Subordinate Mortgages, and all other documents, with the exception of the Deed Restriction, evidencing, securing or otherwise executed and delivered in connection with the Subordinate Loan.

(k) "Subordinate Loan Default" means a default by the Borrower in performing or observing any of the terms, covenants or conditions in the Subordinate Lender's Documents to be performed or observed by it, which continues beyond any applicable period provided in the Subordinate Lender's Documents for curing the default.

2. **Terms of Subordination.**

(a) Agreement to Subordinate. The Parties agree that: (i) the indebtedness evidenced by the Subordinate Lender's Documents is and shall be subordinated in right of payment, to the extent and in the manner provided in this Agreement, to the prior payment in full of the indebtedness evidenced by the Senior Lender's Documents, and (ii) the Subordinate Mortgage and the other Subordinate Lender's Documents are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Lender Mortgage and the other Senior Lender's Documents and to all advances heretofore made or which may hereafter be made pursuant to the Senior Lender Mortgage and the other Senior Lender's Documents (including but not limited to, all sums advanced for the purposes of (1) protecting or further securing the lien of the Senior Lender Mortgage, curing defaults by the Borrower under the Senior Lender's Documents or for any other purpose expressly permitted by the Senior Lender Mortgage, or (2) constructing, renovating, repairing, furnishing, fixturing or equipping the Property). However, the Deed Restriction shall not be subordinated to the Senior Lender Mortgage or the Senior Lender's Documents.

(b) Subordination of Subrogation Rights. The Subordinate Lender agrees that if, by reason of its payment of real estate taxes or other monetary obligations of the Borrower, or by reason of its exercise of any other right or remedy under the Subordinate Lender's Documents, it acquires by right of subrogation or otherwise a lien on the Property which (but for this subsection) would be senior to the liens of the Senior Lender Mortgage, then, in that event, such lien shall be subject and subordinate to the liens of the Senior Lender Mortgage.

(c) Payments Under Subordinate Lender's Documents. Until such time as the Senior Lender delivers a Default Notice to the Subordinate Lender pursuant to Section 4(a), the Borrower may make and the Subordinate Lender may accept regular monthly payments under the Subordinate Note. From and after such time as the Senior Lender delivers a Default Notice to the Subordinate Lender pursuant to Section 4(a), the Borrower agrees that it will not make any payments under or pursuant to the Subordinate Lender's Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage), and the Subordinate Lender agrees that it will not accept any payments under or pursuant to the Subordinate Lender's Documents

(including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage).

(d) Remitting Subordinate Loan Payments to Senior Lender. If the Subordinate Lender receives any payments under the Subordinate Lender's Documents that are not permitted hereunder, the Subordinate Lender agrees that such payment or other distribution will be received and held in trust for the Senior Lender and will be promptly remitted, in kind to the Senior Lender, properly endorsed to the Senior Lender, to be applied to the principal of, interest on and other amounts due under the Senior Lender's Documents in accordance with the provisions of the Senior Lender's Documents. By executing this Agreement, the Borrower specifically authorizes the Subordinate Lender to endorse and remit any such payments to the Senior Lender, and specifically waives any and all rights to have such payments returned to the Borrower or credited against the Subordinate Loan. Borrower and Senior Lender acknowledge and agree that payments received by the Subordinate Lender, and remitted to the Senior Lender under this Section 2, shall not be applied or otherwise credited against the Subordinate Loan, nor shall the tender of such payment to the Senior Lender waive any Subordinate Loan Default which may arise from the inability of the Subordinate Lender to retain such payment or apply such payment to the Subordinate Loan.

(e) Agreement Not to Commence Bankruptcy Proceeding. The Subordinate Lender agrees that during the term of this Agreement it will not commence, or join with any other creditor in commencing any bankruptcy reorganization, arrangement, insolvency or liquidation proceedings with respect to the Borrower, without the Senior Lender's prior written consent.

3. Default Under Subordinate Lender's Documents.

(a) Notice of Default and Cure Rights. The Subordinate Lender shall deliver to the Senior Lender a Default Notice within five Business Days in each case where the Subordinate Lender has given a Default Notice to the Borrower. Failure of the Subordinate Lender to send a Default Notice to the Senior Lender shall not prevent the exercise of the Subordinate Lender's rights and remedies under the Subordinate Lender's Documents, subject to the provisions of this Agreement. The Senior Lender shall have the right, but not the obligation, to cure any Subordinate Loan Default within 60 days following the date of such notice; provided, however that the Subordinate Lender shall be entitled, during such 60-day period, to continue to pursue its rights and remedies under the Subordinate Lender's Documents. All amounts paid by the Senior Lender in accordance with the Senior Lender's Documents to cure a Subordinate Loan Default shall be deemed to have been advanced by the Senior Lender pursuant to, and shall be secured by the liens of, the Senior Lender Mortgage.

(b) Subordinate Lender's Exercise of Remedies After Notice to Senior Lender. If a Subordinate Loan Default occurs and is continuing, the Subordinate Lender agrees that, without the Senior Lender's prior written consent, it will not commence foreclosure proceedings with respect to the Property under the Subordinate Lender's Documents or exercise any other rights or remedies it may have under the Subordinate Lender's Documents, including, but not limited to accelerating the Subordinate Loan, collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder unless and until it has given the Senior Lender at least 60 days' prior written notice, provided that such 60 day period shall

terminate at such time as the Senior Lender commences the exercise of remedies pursuant to paragraph 6(a) hereof; during such 60 day period, however, the Subordinate Lender shall be entitled to exercise and enforce all other rights and remedies available to the Subordinate Lender under the Subordinate Lender's Documents and/or under applicable laws.

(c) Cross Default. The Borrower and the Subordinate Lender agree that a Subordinate Loan Default shall constitute an Senior Lender's Mortgage Loan Default under the Senior Lender's Documents and the Senior Lender shall have the right to exercise all rights or remedies under the Senior Lender's Documents in the same manner as in the case of any other Senior Lender's Mortgage Loan Default. If the Subordinate Lender notifies the Senior Lender in writing that any Subordinate Loan Default of which the Senior Lender has received a Default Notice has been cured or waived, as determined by the Subordinate Lender in its sole discretion, then provided that Senior Lender has not conducted a sale of the Property pursuant to its rights under the Senior Lender's Documents, any Senior Lender's Mortgage Loan Default under the Senior Lender's Documents arising solely from such Subordinate Loan Default shall be deemed cured, and the Senior Lender's Mortgage Loan shall be reinstated, provided, however, that the Senior Lender shall not be required to return or otherwise credit for the benefit of the Borrower any default rate interest or other default related charges or payments received by the Senior Lender during such Senior Lender's Mortgage Loan Default.

4. **Default Under Senior Lender's Documents.**

(a) Notice of Default and Cure Rights. The Senior Lender shall deliver to the Subordinate Lender a Default Notice within five Business Days in each case where the Senior Lender has given a Default Notice to the Borrower. Failure of the Senior Lender to send a Default Notice to the Subordinate Lender shall not prevent the exercise of the Senior Lender's rights and remedies under the Senior Loan Documents, subject to the provisions of this Agreement. The Subordinate Lender shall have the right, but not the obligation, to cure any such Senior Lender's Mortgage Loan Default within 60 days following the date of such notice; provided, however, that the Senior Lender shall be entitled during such 60-day period to continue to pursue its remedies under the Senior Lender's Documents. The Subordinate Lender may have up to 90 days from the date of the Default Notice to cure a non-monetary default if during such 90-day period Subordinate Lender keeps current all payments required by the Senior Lender's Documents. In the event that such a non-monetary default creates an unacceptable level of risk relative to the Property, or Senior Lender's secured position relative to the Property, as determined by Senior Lender in its sole discretion, then Senior Lender may exercise during such 90-day period all available rights and remedies to protect and preserve the Property and the rents, revenues and other proceeds from the Property. All amounts paid by the Subordinate Lender to the Senior Lender to cure a Senior Lender's Mortgage Loan Default shall be deemed to have been advanced by the Subordinate Lender pursuant to, and shall be secured by the lien of, the Subordinate Mortgage.

(b) Cross Default. The Subordinate Lender agrees that, notwithstanding any contrary provision contained in the Subordinate Lender's Documents, a Senior Lender's Mortgage Loan Default shall not constitute a default under the Subordinate Lender's Documents if no other default occurred under the Subordinate Lender's Documents until either (i) the Senior Lender has accelerated the maturity of the Senior Lender's Mortgage Loan, or (ii) the Senior Lender has

taken affirmative action to exercise its rights under the Senior Lender Mortgage to collect rent, to appoint (or seek the appointment of) a receiver or to commence proceedings to foreclose on (or to exercise a power of sale contained in) the Senior Lender Mortgage. At any time after a Senior Lender's Mortgage Loan Default is determined to constitute a default under the Subordinate Lender's Documents, the Subordinate Lender shall be permitted to pursue its remedies for default under the Subordinate Lender's Documents, subject to the restrictions and limitations of this Agreement. If at any time the Borrower cures any Senior Lender's Mortgage Loan Default to the satisfaction of the Senior Lender, as evidenced by written notice from the Senior lender to the Subordinate Lender, any default under the Subordinate Lender's Documents arising from such Senior Lender's Mortgage Loan Default shall be deemed cured and the Subordinate Loan shall be retroactively reinstated as if such Senior Lender's Mortgage Loan Default had never occurred.

5. Conflict.

The Borrower, the Senior Lender and the Subordinate Lender each agrees that, in the event of any conflict or inconsistency between the terms of the Senior Lender's Documents, the Subordinate Lender's Documents and the terms of this Agreement, the terms of this Agreement shall govern and control solely as to the following: (a) the relative priority of the security interests of the Senior Lender and the Subordinate Lender in the Property; (b) the timing of the exercise of remedies by the Senior Lender and the Subordinate Lender under the Senior Lender Mortgage and the Subordinate Mortgage, respectively; and (c) solely as between the Senior Lender and the Subordinate Lender, the notice requirements, cure rights, and the other rights and obligations which the Senior Lender and the Subordinate Lender have agreed to as expressly provided in this Agreement. Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend Borrower's time to cure any Senior Lender's Mortgage Loan Default or Subordinate Loan Default, as the case may be; give the Borrower the right to notice of any Senior Lender's Mortgage Loan Default or Subordinate Loan Default, as the case may be other than that, if any, provided, respectively under the Senior Lender's Documents or the Subordinate Lender's Documents; or create any other right or benefit for Borrower as against Senior Lender or Subordinate Lender.

6. Rights and Obligations of the Subordinate Lender Under the Subordinate Lender's Documents and of the Senior Lender under the Senior Lender's Documents.

Subject to each of the other terms of this Agreement, all of the following provisions shall supersede any provisions of the Subordinate Lender's Documents covering the same subject matter:

(a) Protection of Security Interest. The Subordinate Lender shall not, without the prior written consent of the Senior Lender in each instance, take any action which has the effect of increasing the indebtedness outstanding under, or secured by, the Subordinate Lender's Documents, except that the Subordinate Lender shall have the right to advance funds to cure Senior Lender's Mortgage Loan Defaults pursuant to Section 4(a) above and advance funds pursuant to the Subordinate Mortgage for the purpose of paying real estate taxes and insurance premiums, making necessary repairs to the Property and curing other defaults by the Borrower under the Subordinate Lender's Documents.

(b) Condemnation or Casualty. In the event of: a taking or threatened taking by condemnation or other exercise of eminent domain of all or a portion of the Property (collectively, a "Taking"); or the occurrence of a fire or other casualty resulting in damage to all or a portion of the Property (collectively, a "Casualty"), at any time or times when an Senior Lender's Mortgage remains a lien on the Property the following provisions shall apply:

(1) The Subordinate Lender hereby agrees that its rights (under the Subordinate Lender's Documents or otherwise) to participate in any proceeding or action relating to a Taking and/or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Taking or a Casualty shall be and remain subordinate in all respects to the Senior Lender's rights under the Senior Lender's Documents with respect thereto, and the Subordinate Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by the Senior Lender; provided, however, this subsection and/or anything contained in this Agreement shall not limit the rights of the Subordinate Lender to file any pleadings, documents, claims or notices with the appropriate court with jurisdiction over the proposed Taking and/or Casualty; and

(2) all proceeds received or to be received on account of a Taking or a Casualty, or both, shall be applied (either to payment of the costs and expenses of repair and restoration or to payment of the Senior Lender's Mortgage Loan) in the manner determined by the Senior Lender in its sole discretion; provided, however, that if the Senior Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the Senior Lender's Mortgage Loan, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Senior Lender's Mortgage Loan shall be paid to, and may be applied by, the Subordinate Lender in accordance with the applicable provisions of the Subordinate Lender's Documents, provided however, the Senior Lender agrees to consult with the Subordinate Lender in determining the application of Casualty proceeds, provided further however that in the event of any disagreement between the Senior Lender and the Subordinate Lender over the application of Casualty proceeds, the decision of the Senior Lender, in its sole discretion, shall prevail.

(c) No Modification of Subordinate Lender's Documents. The Borrower and the Subordinate Lender each agrees that, until the principal of, interest on and all other amounts payable under the Senior Lender's Documents have been paid in full, it will not, without the prior written consent of the Senior Lender in each instance, increase the amount of the Subordinate Loan, increase the required payments due under the Subordinate Loan, decrease the term of the Subordinate Loan, increase the interest rate on the Subordinate Loan, or otherwise amend the Subordinate Loan terms in a manner that creates an adverse effect upon the Senior Lender under the Senior Lender's Documents. Any unauthorized amendment of the Subordinate Lender's Documents or assignment of the Subordinate Lender's interest in the Subordinate Loan without the Senior Lender's consent shall be void ab initio and of no effect whatsoever.

7. Modification or Refinancing of Senior Lender's Mortgage Loan.

The Subordinate Lender consents to any agreement or arrangement in which the Senior Lender waives, postpones, extends, reduces or modifies any provisions of the Senior Lender's Documents, including any provision requiring the payment of money. Subordinate Lender

further agrees that its agreement to subordinate hereunder shall extend to any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Lender's Mortgage Loan (including reasonable and necessary costs associated with the closing and/or the refinancing); and that all the terms and covenants of this Agreement shall inure to the benefit of any holder of any such refinanced debt; and that all references to the Senior Lender's Mortgage Loan, the Senior Lender's Mortgage Note, the Senior Lender Mortgage, the Senior Lender's Documents and Senior Lender shall mean, respectively, the refinance loan, the refinance note, the mortgage securing the refinance note, all documents evidencing securing or otherwise pertaining to the refinance note and the holder of the refinance note.

8. Default by the Subordinate Lender or Senior Lender.

If the Subordinate Lender or Senior Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by it under this Agreement, the other, non-defaulting lender shall have the right to all available legal and equitable relief.

9. Notices.

Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which the Senior Lender or the Subordinate Lender is required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the United States), addressed to the respective parties as follows:

SENIOR LENDER: UTAH HOUSING CORPORATION
2479 South Lake Park Boulevard
West Valley City, Utah 84120
Attention: President

SUBORDINATE LENDER: SALT LAKE COUNTY
Michael Gallegos, Director
Salt Lake County Division of Community
Resources and Development
2001 S. State Street, S2100
Salt Lake City, Utah 84190

Laura Kirwan, Deputy District Attorney
Salt Lake County District Attorney's Office
2001 S. State Street, S3600

Salt Lake City, Utah 84190

BORROWER: LIBERTY METRO HOUSING PARTNERS, L.P.
6440 South Wasatch Blvd., Suite 100
Salt Lake City, UT 84121
Attn: Daniel C. Lofgren

Either party may, by notice given pursuant to this Section, change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses for its notices, but notice of a change of address shall only be effective upon receipt.

10. General.

(a) Assignment/Successors. This Agreement shall be binding upon the Borrower, the Senior Lender and the Subordinate Lender and shall inure to the benefit of the respective legal successors and assigns of the Senior Lender and the Subordinate Lender.

(b) No Partnership or Joint Venture. The Senior Lender's permission for the placement of the Subordinate Lender's Documents does not constitute the Senior Lender as a joint venturer or partner of the Subordinate Lender. Neither party hereto shall hold itself out as a partner, agent or Affiliate of the other party hereto.

(c) Senior Lender's and Subordinate Lender's Consent. Wherever the Senior Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by the Senior Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement. Wherever the Subordinate Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by the Subordinate Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement.

(d) Further Assurances. The Subordinate Lender, the Senior Lender and the Borrower each agree, at the Borrower's expense, to execute and deliver all additional instruments and/or documents reasonably required by any other party to this Agreement in order to evidence that the Subordinate Mortgage is subordinate to the lien, covenants and conditions of the Senior Lender Mortgage, or to further evidence the intent of this Agreement.

(e) Amendment. This Agreement shall not be amended except by written instrument signed by all parties hereto.

(f) Governing Law. This Agreement shall be governed by the laws of the State in which the Property is located.

(g) 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.

(h) 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 Lender's Documents and (ii) the payment of all of the principal of, interest on and other amounts payable under the Subordinate Lender's Documents, other than by reason of payments which the Subordinate Lender is obligated to remit to the Senior Lender pursuant to Section 2 hereof.

(i) 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.

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

SENIOR LENDER:

UTAH HOUSING CORPORATION

By: William H. Erickson
Its: President and Chief Executive Officer

SUBORDINATE LENDER:

SALT LAKE COUNTY

By: Karen Suzuki-Okabe
Its: Deputy Mayor

APPROVED AS TO FORM
Salt Lake County District Attorney's Office
By: [Signature]
Deputy District Attorney
Date: 12/5/05

BORROWER:

LIBERTY METRO HOUSING PARTNERS, L.P.
a Utah limited partnership

By: Liberty Metro Properties, L.C.
a Utah limited liability company
its General Partner

By: _____
Its: _____

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

The foregoing instrument was acknowledged before me this ____ day of December, 2005, by William H. Erickson, the President and Chief Executive Officer of Utah Housing Corporation, a public corporation.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

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

The foregoing instrument was acknowledged before me this 9 day of December, 2005, by Karen Suzuki-Okabe, the Deputy Mayor of Salt Lake County.



Karen R. Lowe
NOTARY PUBLIC
Residing at: Salt Lake County

My Commission Expires:

STATE OF _____)
 : ss.
COUNTY OF _____)

On the ____ day of December, 2005, personally appeared before me _____, who, being by me duly sworn, did say that (s)he is the _____ of Liberty Metro Properties L.C., a Utah limited liability company, the General Partner of Liberty Metro Housing Partnership, L.P., a Utah limited partnership.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

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

SENIOR LENDER:

UTAH HOUSING CORPORATION



By: William H. Erickson
Its: President and Chief Executive Officer

SUBORDINATE LENDER:

SALT LAKE COUNTY

By: _____
Its: _____

BORROWER:

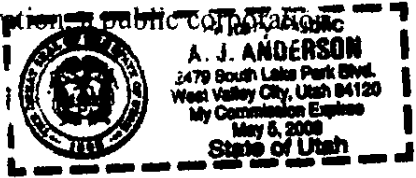
LIBERTY METRO HOUSING PARTNERS, L.P.
a Utah limited partnership

By: Liberty Metro Properties, L.C.
a Utah limited liability company
its General Partner

By: _____
Its: _____

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

The foregoing instrument was acknowledged before me this 7th day of December, 2005, by William H. Erickson, the President and Chief Executive Officer of Utah Housing Corporation, a public corporation.



A. J. Anderson
NOTARY PUBLIC
Residing at: West Valley

My Commission Expires:

05/05/08

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

The foregoing instrument was acknowledged before me this ____ day of December, 2005, by _____, the _____ of Salt Lake County.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

STATE OF _____)
 : ss.
COUNTY OF _____)

On the ____ day of December, 2005, personally appeared before me _____, who, being by me duly sworn, did say that (s)he is the _____ of Liberty Metro Properties L.C., a Utah limited liability company, the General Partner of Liberty Metro Housing Partnership, L.P., a Utah limited partnership.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

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

SENIOR LENDER:

UTAH HOUSING CORPORATION

By: William H. Erickson
Its: President and Chief Executive Officer

SUBORDINATE LENDER:


SALT LAKE COUNTY

By: _____
Its: _____

BORROWER:

LIBERTY METRO HOUSING PARTNERS, L.P.
a Utah limited partnership

By: Liberty Metro Properties, L.C.
a Utah limited liability company
its General Partner


By: Mark Cornelius
Its: V.P. / Member

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

The foregoing instrument was acknowledged before me this ____ day of December, 2005, by William H. Erickson, the President and Chief Executive Officer of Utah Housing Corporation, a public corporation.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

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

The foregoing instrument was acknowledged before me this ____ day of December, 2005, by _____, the _____ of Salt Lake County.

NOTARY PUBLIC
Residing at: _____

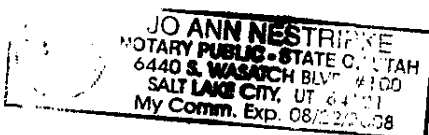
My Commission Expires:

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

On the 6th day of December, 2005, personally appeared before me Mark Connerus, who, being by me duly sworn, did say that (s)he is the Vice President of Liberty Metro Properties L.C., a Utah limited liability company, the General Partner of Liberty Metro Housing Partnership, L.P., a Utah limited partnership.

Jo Ann Nestripke
NOTARY PUBLIC
Residing at: 6440 S. Wasatch Blvd #100

My Commission Expires:
Aug 22 2008



Legal Description of Property

That certain real property located in Salt Lake County, Utah more particularly described as follows:

That certain real property located in Salt Lake County, State of Utah, and more particularly described as follows:

A parcel of real property being part of Lot 4, Block 36, Plat "A", SALT LAKE CITY SURVEY and located in the Southwest Quarter of Section 6, Township 1 South, Range 1 East, Salt Lake Base and Meridian, more particularly described as follows:

Beginning at the Northwest corner of the William W. Bowerbank Building, 165.17 feet North 00°02'30" West from the Southwest corner of said Lot 4, Block 36, Plat "A", SALT LAKE CITY SURVEY, and running thence North 00°02'30" West 123.75 feet along the easterly boundary line of Second East Street and the westerly line of said Lot 4 to a point which is 41.25 feet (2½ rods) South 00°02'30" East from the Northwest corner of said Lot 4; thence North 89°57'30" East 165.08 feet to the easterly line of said Lot 4; thence South 00°02'27" East 123.90 feet along said easterly line to a point 165.00 feet (10 rods) North 00°02'27" West from the Southeast corner of said Lot 4; thence South 89°57'30" West 44.99 feet to the easterly line of said William W. Bowerbank Building; thence North 00°12'46" West 0.05 feet to the Northeast corner of said William W. Bowerbank Building; thence North 89°59'41" West 120.09 feet along the north line of said building to the Northwest corner of said building and the point of beginning.

(16-06-377-015)