7505 South Holden Street
Midvale, UT 84047
(801) 567-7200
www.midvalecity.org

REDEVELOPMENT AGENCY OF MIDVALE CITY
MEETING AGENDA
OCTOBER 4, 2022

PUBLIC NOTICE IS HEREBY GIVEN that the **Redevelopment Agency of Midvale City** will hold an electronic and in-person meeting on the **4th day of October 2022** as follows:

Electronic & In-Person City Council Meeting
This meeting will be held electronically and in-person. Midvale City recommends meeting attendees follow CDC guidelines regarding masking and social distancing. **Public comments may be submitted electronically for Board consideration at www.Midvalecity.org/government/contact-us by 5:00pm on October 3rd. Please indicate if you would like your comment addressed in the Redevelopment Agency meeting.**

The meeting will be broadcast on the following: **You Tube: www.MidvaleCity.org/YouTube**

7:00 PM OR IMMEDIATELY FOLLOWING THE CITY COUNCIL MEETING

I. GENERAL BUSINESS
A. WELCOME AND ROLL CALL

II. PUBLIC COMMENTS
Any person wishing to comment on any item not otherwise scheduled for public hearing on the agenda may address the Redevelopment Agency of Midvale City Board at this point by stepping to the microphone and giving his or her name for the record. Comments should be limited to not more than three (3) minutes unless additional time is authorized by the Governing Body. Citizen groups will be asked to appoint a spokesperson. This is the time and place for any person who wishes to comment on non-hearing, non-Agenda items. Items brought forward to the attention of the Redevelopment Agency of Midvale City will be turned over to staff to provide a response outside of the Redevelopment Agency meeting.

III. CONSENT AGENDA
A. Consider Minutes of September 6, 2022 ***[Rori Andreason, HR Director/City Recorder]***

IV. ACTION ITEMS
A. Consider Resolution No. 2022-13RDA Amending the Sunset Gardens Affordable Housing Loan ***[Meggie Troili, RDA Project Manager]***

V ADJOURN

In accordance with the Americans with Disabilities Act, Midvale City will make reasonable accommodations for participation in the meeting. Request assistance by contacting the City Recorder at 801-567-7207, providing at least three working day notice of the meeting. TTY 711

A copy of the foregoing agenda was provided to the news media by email and/or fax. The agenda was also posted at the following locations on the date and time as posted above: City Hall Lobby, on the City's website at www.midvalecity.org and the State Public Notice Website at http://pmn.utah.gov. Board Members may participate in the meeting via electronic communications. Board Members' participation via electronic communication will be broadcast and amplified so other Board Members and all other persons present in the Council Chambers will be able to hear or see the communication.

DATE POSTED: SEPTEMBER 29, 2022

RORI L. ANDREASON, MMC
H.R. DIRECTOR/CITY RECORDER

REDEVELOPMENT AGENCY MEETING
Minutes
Tuesday September 6, 2022

Council Chambers
7505 South Holden Street
Midvale, Utah 84047

CHAIR: Marcus Stevenson

BOARD MEMBERS: Board Member Heidi Robinson - Excused
Board Member Paul Glover
Board Member Dustin Gettel
Board Member Quinn Sperry
Board Member Bryant Brown

STAFF: Matt Dahl, City Manager; Nate Rockwood, Assistant City Manager; Rori Andreason, City Recorder; Lisa Garner, City Attorney; Glen Kennedy, Public Works Director; Mariah Hill, Administrative Services Director; Cody Hill, RDA Manager; Meggie Troili, RDA Project Manager; Chief Randy Thomas, UPD; and Matt Pierce, IT Director.

Chair Stevenson called the meeting to order at 9:10 p.m.

I. GENERAL BUSINESS

A. Roll Call - Board Members Dustin Gettel, Quinn Sperry, Bryant Brown, and Paul Glover were present at roll call. Board Member Heidi Robinson was excused.

II. PUBLIC COMMENTS

There was no one who desired to speak.

III. CONSENT AGENDA

A. CONSIDER MINUTES OF AUGUST 23, 2022

MOTION: Board Member Paul Glover MOVED to approve the consent agenda. The motion was SECONDED by Board Member Quinn Sperry. Chair Stevenson called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown	**Aye**
Board Member Dustin Gettel	**Aye**
Board Member Paul Glover	**Aye**
Board Member Quinn Sperry	**Aye**
Board Member Heidi Robinson	**Absent**

The motion passed unanimously.

IV. ACTION ITEM

PENDING

A. CONSIDERATION OF RESOLUTION NO. 2022-12RDA CONFIRMING ARTIST BILL LOUIS FOR THE 2022 BINGHAM JUNCTION PUBLIC ART PROJECT AS RECOMMENDED BY THE BINGHAM JUNCTION DESIGN ADVISORY BOARD

Meggie Troili said the Redevelopment Agency (RDA) of Midvale City created the Bingham Junction Public Art Program to provide opportunities to integrate public art into private developments or public spaces within the project area. The RDA in partnership with Overstock.com released an RFQ seeking qualified artists to design and install a mural that is aesthetically pleasing, imaginative, iconic, and will be a welcoming feature for the City of Midvale. Four artists were selected to create proposals, and one design was selected by the Bingham Junction Public Art Design board.

The mural site is located on the Oversock.com parking garage, located on the east side of their corporate campus (799 Coliseum Way) facing 700 West. Artists were asked to create proposals incorporating one of two corporate values from Overstock.com, **Do Good** and **Be You.** The artists were asked to the area as a gateway between Bingham Junction and the historic Main Steet area.

The recommended artist for this mural project is Bill Louis whose mural proposal (**Exhibit B** in the Artist Agreement) was unanimously selected by the Public Art Design Board. Bill Louis is a full-time, and self-identified Polynesian artist whose proposal will bring vibrant colors and strong symbolism to Midvale. His proposal expresses culture, charity, diversity, inclusion, and the natural beauty of Utah aligning with the project goals and the theme of "Do Good”.

PLAN COMPLIANCE: The recommended artist and concept(s) align with the Agency’s vision for development of the area.

FISCAL IMPACT: $35,490 ($26 per sq foot)

Bingham Junction Public Art Program
The Redevelopment Agency (RDA) of Midvale City created the Bingham Junction Public Art Program to provide opportunities to integrate public art into private developments or public spaces within the project area.

Public Art Design Advisory Board:
RDA Representative – Kate Andrus
City Planner – Elizabeth Arnold
Council Member – Dustin Gettel
Artist/Community Representative – Ashley Thomas, Echelon Tattoo
Property Owner Representative – Amber Fairborn, Overstock.com

Program Funding: Funding is allocated through the RDA Annual Budget. FY23 budget total = 90K

Overstock Mural Project

PENDING

Project Background: The RDA in partnership with Overstock.com released an RFQ seeking qualified artists to design and install a mural that is aesthetically pleasing, imaginative, iconic, and will be a welcoming feature for the city. Out of 18 applications four artists were selected to create proposals, and one design was selected by the Bingham Junction Public Art Design board.

Project Theme: "Do Good" or "Be You"

Project Budget: 50K

Recommended Artist: Bill Louis

Project Completion Date: October 15th, 2022

Project Location: The mural site is located on the Oversock.com parking garage on the east side of their corporate campus (799 Coliseum Way, Midvale UT 84047) facing 700 West. A single wall on the structure was selected for the mural installation below.



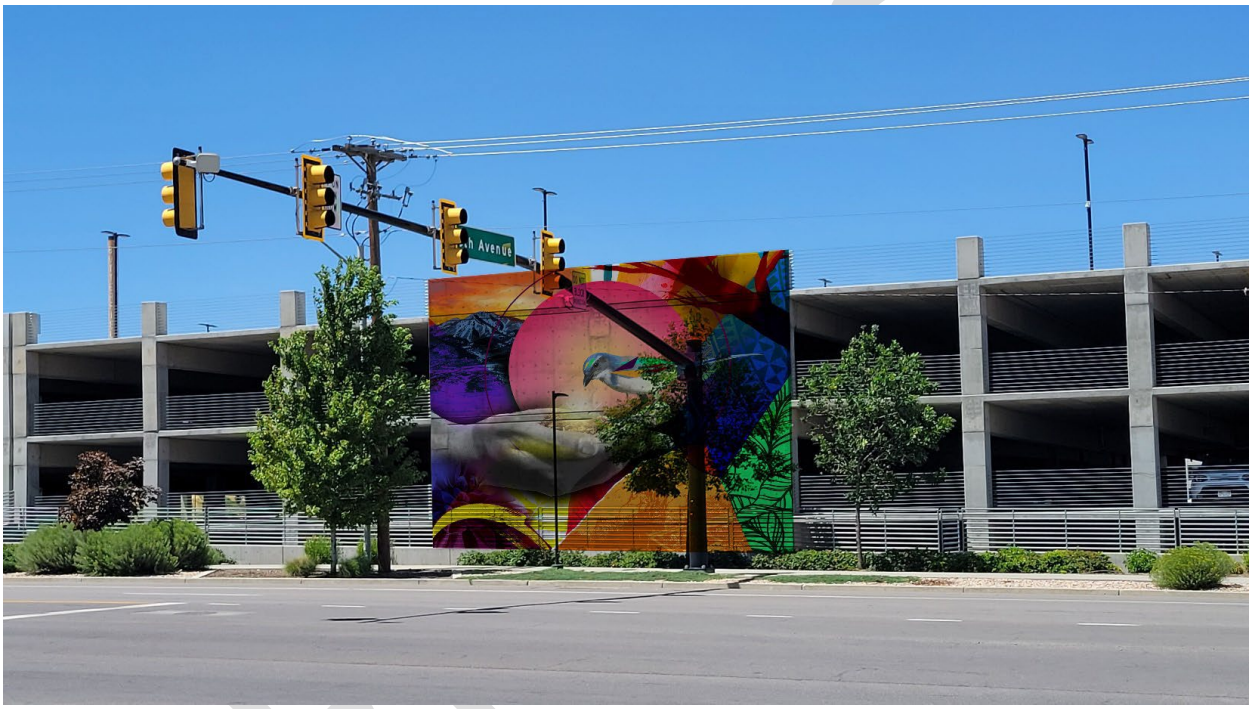
Artist: Bill Louis, Utah based Polynesian artist

Mural Budget: $26 per sq foot = $35,490

Proposal Concept/Description
Focusing on the "Do Good" corporate value from Overstock.com, the hands feeding the bird it is symbolic to charity. Overstock has donated much to the underprivileged communities in the community, and I wanted to represent that in the mural design. The various colors represent diversity and culture. Some images include the garden box to represent the greenhouse that was built on the property that was being used before the pandemic. There are also many nature images that represent Utah. The bluebird which is a power animal representing "to be carefree". The tribal represents family and I wanted to include many other Utah elements such as the Wasatch Mountains and leaves and so on.

PENDING





STAFF'S RECOMMENDATION AND MOTION: The Agency recommends the approval of Resolution No. 2022-12RDA, confirming Bill Louis, for the 2022 Bingham Junction Public Art Project as recommended by the Bingham Junction Design Advisory Board and entering into an agreement with the selected artist.

Board Member Bryant Brown asked about lighting and anti-graffiti around the mural.

Meggie Troili said she wasn't sure about the lighting and will look into it.

Nate Rockwood said he would look into putting the anti-graffiti commission into place.

MOTION: Board Member Dustin Gettel MOVED to Adopt Resolution No. 2022-12RDA Confirming Bill Louis for the 2022 Bingham Junction Public Art Project as Recommended by the Bingham Junction Design Advisory Board and Entering into an Agreement with the Artist. The motion was SECONDED by Board Member Paul Glover. Chair Stevenson called

for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown	**Aye**
Board Member Dustin Gettel	**Aye**
Board Member Paul Glover	**Aye**
Board Member Quinn Sperry	**Aye**
Board Member Heidi Robinson	**Aye**

The motion passed unanimously.

V. ADJOURN

MOTION: **Board Member Paul Glover MOVED to adjourn the meeting. Board Member Dustin Gettel SECONDED the motion. Chair Stevenson called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.**

The meeting adjourned at 9:24 p.m.

_____

Rori L. Andreason, MMC
City Recorder

Approved this 4th day of October 2022.

PENDING

REDEVELOPMENT AGENCY OF MIDVALE CITY

Meeting Date: October 4th, 2022

ITEM TYPE: Action Item

SUBJECT: Consideration to approve **Resolution No. 2022-13RDA** amending the approved affordable housing loan with Sunset Gardens LLC, by moving the Midvale RDA into the fifth (5th) lien position.

SUBMITTED BY: Meggie Troili, RDA Project Manager

SUMMARY: On June 7th, 2022, Sunset Gardens LLC. (Borrower), was approved for a $1.7M affordable housing loan through the Midvale City RDA (Lender) for the proposed Sunset Gardens Apartments, an 89-unit LIHTC multifamily rent and income-restricted housing project (the "*Project*") to be located at 380 East Fort Union Boulevard in Midvale. A substantive change has been made to the loan which requires RDA approval to amend. The Utah Department of Workforce Services staff informed Housing Connect that both the Olene Walker Housing Loan Fund ("OWHLF") HOME loan and the OWHLF National Housing Trust Fund ("NHTF") loan are required to be in a superior lien position to all loans except the California Bank & Trust construction and Rocky Mountain CRC permanent loans. This means the Midvale City RDA will be moved into fifth (5th) lien position placing the Salt Lake County HOME fund in third (3rd) position, and the Olene Walker Housing Loan Fund, ("NHTF") into fourth (4th). The following describes the loan amendment.

1.1. The Senior Loans include (a) a first-priority deed of trust and associated documents securing a $13,192,168 construction loan to Borrower by Zions Bank (the "*Construction Loan*"); (b) a deed of trust securing a loan to Borrower by Rocky Mountain Community Reinvestment Corporation to fully satisfy and supersede the Construction Loan following completion of construction of the Project (the "*RMCRC Loan");* (c) a deed of trust securing a $1,000,000 loan to Borrower by the Olene Walker Housing Loan Fund, HOME (the "*Olene Walker-Home Loan*"); (d) a deed of trust securing a loan of $900,000 to Borrower by Salt Lake County if that loan occurs (the "*SL County Loan*"); and (e) a $1,000,000 loan to Borrower by the Olene Walker Housing Loan Fund, NHTF (the "*Olene Walker-NHTF Loan*").

FISCAL IMPACT: $1,700,000

STAFF RECOMMENDATION: The Agency recommends the approval of **Resolution No. 2022-13RDA** amending the affordable housing loan with Sunset Gardens LLC moving the RDA into the 5th lien position.

Recommended Motion: "I move to suspend the rules to approve **Resolution No. 2022-13RDA** amending the affordable housing loan with Sunset Gardens LLC moving the RDA into the 5th lien position.

ATTACHMENTS: (Attachment 1) Resolution **(Attachment 2)** Draft Loan Agreement including Subordination Agreement.

Attachment 1: Resolution 2022-13RDA

RESOLUTION NO. 2022-13RDA

A RESOLUTION AUTHORIZING THE REDEVELOPMENT AGENCY OF MIDVALE CITY TO AMEND THE SUNSET GARDENS AFFORDABLE HOUSING LOAN MOVING THE RDA INTO FIFTH LIEN POSITION IF THE SALT LAKE COUNTY LOAN OCCURS.

WHEREAS, On June 7, 2022, Sunset Gardens LLC., was approved for a $1.7M affordable housing loan through the Midvale City RDA to support the proposed Sunset Gardens Apartments improvements, an 89-unit LIHTC multifamily rent and income-restricted housing project (the "*Project*") located at 380 East Fort Union Boulevard in Midvale; and

WHEREAS, A substantive change has been made to the loan which requires RDA board approval; and

WHEREAS, The Utah Department of Workforce Services staff informed Housing Connect that both the Olene Walker Housing Loan Fund ("OWHLF") HOME loan and the OWHLF National Housing Trust Fund ("NHTF") loan are required to be in a superior lien position to all loans except the California Bank & Trust construction and Rocky Mountain CRC permanent loans; and

WHEREAS, the lender is requesting the RDA's loan be moved into 5th lien position with the Salt Lake County HOME fund in third (3rd) position, and the Olene Walker Housing Loan Fund, ("NHTF") in fourth (4th) position; and

NOW THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY, that the Board of Directors does hereby approve to amend the Sunset Gardens Affordable Housing loan amendment moving the RDA into fifth (5th) lien position.

APPROVED AND ADOPTED this ___day of October 2022

_____

Marcus Stevenson

Chief Administrative Officer

_____

Matt Dahl

Executive Director

ATTEST:

_____

Rori L. Andreason, MMC
Secretary

Voting by the Board	"Aye"	"Nay"
Quinn Sperry	_____	_____
Paul Glover	_____	_____
Heidi Robinson	_____	_____
Bryant Brown	_____	_____
Dustin Gettel	_____	_____

Loan Agreement

between

REDEVELOPMENT AGENCY OF MIDVALE CITY, as Lender

and

SUNSET GARDENS, LLC, as Borrower

Date: September __, 2022

Borrower Address: Sunset Gardens, LLC
3595 S Main Street
Salt Lake City, UT 84115

Property Address: 380 East Fort Union Blvd.
Midvale, Utah 84047

Loan Agreement

THIS LOAN AGREEMENT (this "*Agreement*") is entered into as of __ September 2022 by and between **SUNSET GARDENS, LLC**., a Utah limited liability company ("*Borrower*"), and the **REDEVELOPMENT AGENCY OF MIDVALE CITY**, a public entity ("*Lender*"). In this Agreement, Borrower and Lender are each a "Party" and collectively are the "Parties."

R E C I T A L S:

A. Borrower wishes to obtain loan financing from Lender for the proposed Sunset Gardens Apartments, an 89-unit LIHTC multifamily rent and income-restricted housing project (the "*Project*") to be located at 380 East Fort Union Boulevard, Midvale, Utah 84047 on the Real Property that is particularly described in **Exhibit "A"** attached hereto and incorporated herein by this reference.

B. Lender has agreed to lend to Borrower up to One Million Seven Hundred Thousand Dollars (U.S. $1,700,000.00) (the "*Loan*") for the purpose of financing a portion of the demolition of existing structures and subsequent construction costs associated with the Project, contingent on, among other things, approval and funding of the Senior Funding Sources at or before Closing.

NOW THEREFORE, in consideration of the above recitals and in reliance thereon, and in consideration of the mutual covenants and conditions contained herein, and the benefits to be derived by the Parties hereunder, and such other consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties each covenant, agree, warrant, and represent as follows:

1. DEFINITIONS.

As used in this Agreement, the following terms shall have the following meanings:

1.1. **Closing**. The execution of all Loan Documents, the completion of all conditions to Closing, and the recording of the Security Documents and financing statements for the Loan in the applicable governmental offices.

1.2. **Collateral**. Those items and assets specified in the Section of this Agreement entitled "The Collateral" which secure the obligations of Borrower to Lender under the Loan Documents.

1.3. **Deed of Trust**. A fourth-lien priority deed of trust with assignment of rents, security agreement and fixture filing from Borrower, as trustor, to Secured Land Title, as trustee, and Lender, as beneficiary, granting and conveying to Lender a fourth (or fifth, as explained below) position lien on and security interest in the Project as security and collateral for the repayment of all funds advanced under the Note. The Deed of Trust shall be in the form attached hereto as **Exhibit "C-2."**

1.4. **Default Rate**. The same rate of interest as the Regular Rate.

1.5. **Developer Improvements**. All improvements and fixtures on the Real Property attendant thereto.

1.6. **Effective Date**. The earlier of (a) the date the Deed of Trust is recorded in the office of the Salt Lake County Recorder, or (b) the date Lender authorizes the Loan proceeds to be released to Borrower.

1.7. **Environmental Laws**. Any and all applicable current and future treaties, laws, regulations, enforceable requirements, binding determinations, orders, decrees, judgments, injunctions, permits, approvals, authorizations, licenses, permissions, notices, or binding agreements issued, promulgated, or entered by any Governmental Authority, relating to the environment, to employee health or safety as it pertains to the use or handling of, or exposure to, Hazardous Materials, to preservation or reclamation of natural resources, or to the management, release, or threatened release of contaminants or noxious odors, including the Hazardous Materials Transportation Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 ("CERCLA"), the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and Hazardous and Solid Waste Amendments of 1984, the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, the Clean Air Act of 1970 (to the extent it pertains to the use or handling of, or exposure to, Hazardous Materials), as amended, the Toxic Substances Control Act of 1976, the Occupational Safety and Health Act of 1970, as amended, the Emergency Planning and Community Right-to-Know Act of 1986, the Safe Drinking Water Act of 1974, as amended, and any similar or implementing state law, and all amendments or regulations promulgated thereunder.

1.8. **Event of Default**. The occurrence of one or more of the events or conditions specified in the Section of this Agreement entitled "Events of Default," provided there has been satisfied any requirement for the giving of notice, the passing of time, or both.

1.9. **Governing Instruments**. The articles of organization and the operating agreement of Borrower, and all other organizational documents of any Borrower who is not a natural person, together with all amendments thereto.

1.10. **Governmental Authority**. Any federal, state, county, municipal, local, or other governmental entity, agency, court, commission, board, bureau, or instrumentality or regulatory body having jurisdiction over Borrower, the Real Property, or the Developer Improvements.

1.11. **Governmental Requirement**. Any law, statute, ordinance, order, rule, or regulation of a Governmental Authority, including without limitation the Americans with Disabilities Act of 1990, any amendments thereto, and all regulations promulgated thereunder.

1.12. **Hazardous Materials**. Any toxic, radioactive, caustic, or otherwise hazardous substance, material, or waste, including petroleum, its derivatives, by-products, and other hydrocarbons, or any substance having any constituent elements displaying any of the foregoing characteristics, including, without limitation, polychlorinated biphenyls ("PCBs"), asbestos or

asbestos-containing material, and any substance, waste, or material regulated under Environmental Laws.

1.13. **Insurance Policies**. The insurance policies generally described in the Section of this Agreement entitled "Affirmative Loan Covenants of Borrower" and as described in, and providing the insurance required by, the Deed of Trust.

1.14. **Loan**. The loan made by Lender to Borrower pursuant to, and in the amount specified in, the Section of this Agreement entitled "The Loan; Advances; Interest; Payments."

1.15. **Loan Documents**. This Agreement, the Note, the Deed of Trust, and all other documents, instruments, and agreements evidencing, securing, or in any way related to the Loan, including without limitation security agreements, financing statements, consent to assignment of subcontracts, construction, architect and supply contracts, and other such documents.

1.16. **Maturity Date**: April 30, 2073 or such earlier date as may be required by the Note or the Deed of Trust following Borrower's default thereunder.

1.17. **Note**. The "Secured Promissory Note" of essentially even date herewith executed by Borrower and delivered to Lender in the amount of the Loan, evidencing the Loan, substantially in the form of attached **Exhibit "C-1."**

1.18. **Obligations**. The unpaid principal amount of and interest on the Note, and all other obligations and liabilities of Borrower to Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with this Agreement or the other Loan Documents and any other document executed and delivered in connection therewith or herewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including without limitation fees and disbursements of Lender's counsel), or otherwise.

1.19. "**Operating Agreement**" means the Amended and Restated Operating Agreement of Borrower between Sunset Gardens Management, LLC, a Utah limited liability company, and USA Institutional Sunset Gardens LLC, a Delaware limited liability company, dated as of September 1, 2022.

1.20. **Personal Property**. All equipment, fixtures, and other personal property, contracts, plans, and specifications, rights, interests, entitlements, and general intangibles owned by Borrower and held for, used, or located on or for the Real Property.

1.21. **Permitted Exceptions**. Those exceptions, encumbrances, and defects of title to the Real Property approved by Lender as of the Closing.

1.22. **Project**. The Real Property and Personal Property, which, when completed, together will constitute an 89-unit LIHTC multifamily housing project located at 380 East Fort Union Blvd., Midvale, Salt Lake County, Utah.

1.23. **Real Property**. The real property that is particularly described in **Exhibit "A"** attached hereto, together with all easements, rights-of-way, and rights used in connection therewith

or as a means of access thereto, and all tenements, hereditaments, and appurtenances thereof and thereto.

1.24. **Regular Rate**. One and one-half percent (1.5%) per annum.

1.25. **Security Documents**. The Deed of Trust and all other documents or agreements securing the Loan or the performance of the Obligations.

1.26. **Senior Loans**. All funding sources, other than the Loan, for Borrower's acquisition of the Real Property, any necessary demolition of current improvements thereon, and construction of Developers Improvements that are the basis for the Loan and the Senior Funding, as listed in the proforma attached hereto as **Exhibit "B."** The Senior Loans include (a) a first-priority deed of trust and associated documents securing a construction loan of up to $12,998,896 to Borrower by Zions Bank(the "*Construction Loan*"); (b) a deed of trust securing a loan to Borrower by Rocky Mountain Community Reinvestment Corporation to fully satisfy and supersede the Construction Loan following completion of construction of the Project (the "*RMCRC Loan");* (c) a deed of trust securing a $1,000,000 loan to Borrower by the Olene Walker Housing Loan Fund, HOME (the "*Olene Walker-Home Loan*"); (d) a deed of trust securing a loan of $900,000 to Borrower by Salt Lake County if that loan occurs (the "*SL County Loan*"); and (e) a $1,000,000 loan to Borrower by the Olene Walker Housing Loan Fund, NHTF (the "*Olene Walker-NHTF Loan*").

1.27. **Title Company**. Secured Land Title.

1.28. **Title Policy**. The lender's policy of title insurance issued by Title Company insuring, inter alia, the Deed of Trust as a valid lien and encumbrance on the Project, subject to the Senior Loans, in the amount of the Note as described in the Section of this Agreement entitled "Title Insurance."

2. THE LOAN; ADVANCES; INTEREST; PAYMENTS.

2.1. **Loan**. Borrower will borrow from Lender and, subject to the terms and conditions and in reliance upon the representations, warranties, and covenants hereinafter set forth herein, Lender shall advance to, or for the benefit of, Borrower, up to the principal sum of One Million Seven Hundred Thousand Dollars (U.S. $1,700,000.00) to be advanced as hereinafter provided and to be paid in the manner and at such time as provided in the Note, together with all additional advances, costs and charges that may become due and owing under any of the Loan Documents. Notwithstanding anything to the contrary set forth in this Agreement, Lender shall be under no obligation to fund all or any portion of the Loan until three days after the satisfaction by Borrower of all of the conditions set forth in Section 10 of this Agreement.

2.2. **Loan Fees/Costs**. At Closing, Borrower will pay to Lender an origination fee of U.S. $17,000.00 (i.e., one percent of Loan). Borrower also shall pay or reimburse all applicable fees and costs incurred by Lender in connection with the Loan, including Lender's attorneys' fees incurred in connection with application, negotiation, documentation and closing of the Loan.

2.3. **Term**. The term of the Loan will be the period reasonably required to construct Developer's Improvements plus 50 years to coincide with the LIHTC Extended Use Period fully

due at maturity.

2.4. **Maturity**. The Note shall be due and payable on or before the Maturity Date.

2.5. **Use of Loan Proceeds**. Borrower shall use the Loan proceeds only for the demolition of current infrastructure and subsequent construction costs associated with the Project.

2.6. **Interest**. Interest will accrue and be payable on the outstanding principal of the Loan at the Regular Rate. Upon the maturity or the acceleration of the Loan, interest on the then outstanding principal balance of the Loan shall accrue at the Default Rate. Interest shall be paid from surplus cash flow pari passu with the Olene Walker-NHTF Loan as shown on attached **Exhibit "B."**

2.7. **Payments**. Payments under the Note shall be made as follows:

(a) Borrower shall make 50 consecutive payments on the Note in an amount equal to 62.96% of Surplus Cash since the date of the Note (as to the first such payment) or the date of the immediately prior such payment (as to each succeeding payment), as applicable, commencing on April 30, 2024 and continuing on each April 30th thereafter until the Maturity Date, with the 37.04% balance of Surplus Cash comprising all monies paid or payable by Borrower under the Olene Walker-NHTF Loan during the pertinent time period. The term "*Surplus Cash*" shall mean the difference between cash derived from all Operating Sources since the last annual payment and the sum of (i) all sums due or currently required to be paid under the terms of the Construction Loan, the RMCRC Loan, the Olene Walker-Home Loan and the SL County Loan, (ii) any amounts required to be deposited in the reserve for replacements in accordance with the Senior Loans, and (iii) obligations of the Borrower, including normal operating expenses and escrow deposits for taxes and insurance, and those items required to be paid pursuant to Section 11.01(a)(i) through (viii) of the Operating Agreement, which provide as follows:

> *a. Except as provided below in this Section 11.01, all profits, losses and credits, except those gains and losses referred to in Sections 11.03, 11.06, and 11.10, shall be allocated among the Members in accordance with their Percentage Interests as set forth in Section 5.01. All Net Cash Flow available for distribution shall be paid as follows:*
>
> *i. Payment to the Investor Member of any credit adjuster pursuant to Section 5.01(e)(ix) of this Agreement, plus an amount equal to any Capital Contributions made to the Company by the Managing Member pursuant to the last sentence of Section 5.01(a);*
>
> *ii. Payment of an amount equal to $3,000 per year to the Investor Member; in the event there are insufficient amounts to pay this in any given year, such amounts shall not accrue;*
>
> *iii. Payment of a company administration fee to the Managing Member in the amount of $20,000 increasing by 3% per year, amounts to accrue;*
>
> *iv. Payment of a Resident Services Fee to the Managing Member in the amount of $26,850 increasing by 3% per year, amounts to accrue;*

v. Payment to the Developer of any accrued and unpaid Development Fee as set forth in Section 8.10;

vi. Replenishment of the Operating Reserve to the Original Amount as set forth in Section 8.20;

vii. Repayment of any Operating Deficit Loans;

viii. 50% of the remaining balance to payment of the Ground Lease;

"*Operating Sources*" shall include (A) all rental income, late fees and other miscellaneous charges to lessees authorized by the corporate documents and policies of Borrower, (B) interest on deposited funds, and (C) net proceeds from the sale of any of the Project sold by Borrower unless the use of the Project for income-restricted housing purposes is unchanged by Borrower's successor.

(b) Payments will be applied (i) first to any costs, expenses, interest and principal incurred as part of the Loan or incurred by Lender in collecting the amounts owing pursuant to the Note; (ii) then to payment of interest under the Note; and (iii) then to reduction of the principal amount of the Note. All payments shall be made to Lender at its above-specified address until Borrower's receipt of notice from Lender to the contrary. If not sooner paid, all outstanding principal, interest and other amounts due under the Note shall be paid no later than the Maturity Date.

2.8. **Security**. The Loan will be secured by the Trust Deed creating a fourth lien (or, if the SL County Loan occurs, a fifth lien) on the Real Property; an assignment of rents; leases and contracts; and a security interest in the Personal Property, all required reserves, etc. The lien created by the Security Documents to secure repayment of the Note is subordinate to the liens securing repayment of the Senior Loans.

3. THE COLLATERAL.

Borrower's performance of the Obligations hereunder and with respect to the Loan, including all extensions, renewals, or replacements thereof, shall be secured by the Collateral. Borrower hereby grants to Lender a security interest in the Collateral, which consists of the following:

3.1 The Real Property, including the Developer Improvements and all other improvements thereupon and all rents, issues, royalties, and profits in connection therewith and all fixtures now owned or hereafter acquired by Borrower and materials which are or may become attached to or become a part of the Real Property, subject only to the Permitted Exceptions, all pursuant to the Deed of Trust.

3.2 The Personal Property and all other personal property of Borrower arising out of or related to the Real Property and the Developer Improvements, and all general intangibles relating to the Real Property.

3.3. All rents, leases, contracts, general intangibles, earnest money deposits, issues, royalties, and profits which arise out of or accrue from the Project.

4. ADDITIONAL REQUIREMENTS AND RESTRICTIONS.

4.1. **Affordability Requirements**. The Parties acknowledge that LIHTC Program restrictions as determined by the Utah Housing Corporation, as well as Olene Walker Housing Loan Fund restrictions, are applicable to the Loan (the "*Affordability Restrictions*"). Failure of the Project to comply with the Affordability Restrictions shall constitute a default under the Loan, the Note and the Deed of Trust.

4.2. **RDA Restrictions**. Borrower agrees that Lender's RDA restrictions align with the Affordable Compliance Plan referred to in attached **Exhibit "D."**

4.3. **Preference for Displaced Households in Midvale City.** Because anticipated growth and infill development of Midvale's Main Street Community Development Area (the "*CDA*") is expected to displace lower income individuals currently living within the CDA, participating taxing entities, including Salt Lake County, have concerns about where the displaced residents will go. Preference will, therefore, be given to low-income households experiencing displacement within the CDA during the first round of the application process. Households must meet selection criteria in attached **Exhibits "E" and "F."** This arrangement will provide support to individuals displaced as a result of development activities that Salt Lake County and other taxing entities support.

5. BORROWER'S REPRESENTATIONS AND WARRANTIES TO LENDER.

Borrower represents and warrants to Lender as follows (it being agreed that all representations and warranties of Borrower shall survive the Closing and remain in full force and effect until all Obligations of Borrower to Lender shall have been fully paid and performed):

5.1. **Authorization**. Borrower has taken all requisite action to authorize the execution of this Agreement and the Loan Documents, and the repayment of the Obligations and the performance of its obligations hereunder and otherwise in respect of the transactions contemplated hereby.

5.2. **Authority/Enforceability**. Borrower is in compliance with all laws and regulations applicable to its organization, existence and transaction of business, and Borrower has all necessary rights and powers to own, improve, and operate the Project.

5.3. **Financial Information and Condition of Borrower**. All financial information provided by Borrower to Lender is true, correct, and complete, fairly presents the financial position of the person or entity which each purports to reflect, and such financial positions have not suffered any material adverse changes to the date hereof.

5.4. **Condition of the Real Property and the Developer Improvements**. All Developer Improvements will comply with all material Governmental Requirements, applicable material federal, state, or local statutes, ordinances, codes, rules, regulations, orders, or decrees regulating or imposing liability standards of use or conduct concerning zoning, building codes, use of the Real Property and the Developer Improvements, or Hazardous Materials. Lender has made no representation or warranty with respect to the compliance of the Real Property with applicable zoning and use regulations, or the ability of Borrower to obtain any necessary governmental

approvals and permits.

5.5. **Misstatements**. None of the representations and warranties contained herein or in the Loan Documents or in any document or instrument given or to be given to Lender by Borrower contains any misstatement of material fact or omits to state a material fact necessary to make the statement or statements contained herein or therein not misleading, and Borrower has disclosed to Lender all facts which are material to the Loan, the Loan Documents, the Collateral or any portion thereof or any interest therein.

5.6. **Environmental Matters**. Other than as set forth in any environmental and soils reports provided by Borrower to Lender, neither Borrower nor, to Borrower' actual knowledge, any previous owner, tenant, occupant, or user of the Real Property used, generated, released, discharged, stored, or disposed of any Hazardous Materials on, under, or about the Real Property, or transported any Hazardous Materials to or from the Real Property. The Real Property complies with or shall comply with, as required, all Environmental Laws and other laws which affect or govern Borrower' use or development of thereof.

5.7. **Services**. All utility services necessary for the operation of the Developer Improvements are available to, and connected at, the boundaries of the Real Property, including water supply, storm and sanitary sewer facilities, gas, electric, and telephone facilities, and are adequate to service the Developer Improvements and the Real Property, and are not subject to any conditions, other than normal charges to the utility supplier, which would limit the use of such utilities.

6. AFFIRMATIVE LOAN COVENANTS OF BORROWER.

Borrower agrees and covenants that at all times during the term of this Agreement and so long as any Obligations remain owing to Lender by Borrower:

6.1. **Lease Rates**. Borrower shall not reduce the lease payments for any tenant or person, or persons, with ownership in the Borrower below $575 per month. The Borrower shall also not provide tenants or persons with ownership in the Borrower with financial distributions, reimbursements, or rebates that are intended to directly, or indirectly, subsidize their monthly lease payment or act as a dividend or payment of Surplus Cash.

6.2. **Affordable Housing Compliance Plan**. Borrower shall comply with the Affordable Housing Compliance Plan attached as **"Exhibit D."** Amendments or modifications may not be made to the Affordable Housing Compliance Plan without Lender's prior written approval.

6.3. **Insurance Policies and Certificates**.

(a) Borrower, at its sole expense, shall keep and maintain constantly during the time any of the Obligations remain outstanding, with companies authorized to do business in Utah, which companies and policies shall be satisfactory to Lender and shall be rated A Class IV (or better) in the most recent publication of Best's Key Rating Guide, Property-Casualty, the following:

(i) General public liability insurance against claims for bodily injury, death, or property damage occurring on, in or about the Real Property (including within the Developer Improvements thereon) and the adjoining parking area, streets, sidewalks, and passageways, with bodily injury, loss of life, and property damage coverage with a "combined single limit" of not less than Two Million Dollars ($2,000,000.00) per occurrence, and an endorsement naming Lender as an additional insured. Lender may require Borrower to reasonably increase the coverage limit of this insurance policy from time to time in the future if Lender determines that the then coverage amount provides inadequate coverage due to the effect of inflation and/or the results of settlements or court decisions in cases involving damages of the types to be covered by such policy.

(ii) Flood insurance, if any of the Real Property has been, or at any time when any of the Obligations remain outstanding, is designated a flood prone or flood risk area pursuant to the Flood Disaster Protection Act of 1973 as amended or supplemented, in such amounts as required by law or Lender, whichever is greater, which insurance and actions of Borrower shall otherwise comply with the requirements of the National Flood Insurance Program as set forth in such Act.

(b) All hazard and flood insurance policies required by this Agreement shall contain a standard noncontributory lender's loss payable clause in favor of and in form acceptable to Lender and, to the extent available, a waiver of subrogation rights. All such insurance policies shall provide that such policy shall not be canceled, modified, or lapse without at least 30 days' prior written notice to Lender.

(c) Upon the execution of this Agreement, and thereafter not less than 15 days prior to the expiration dates of the expiring insurance policies required by this Section 5.3, Borrower shall deliver to Lender originals of the policies or certificates of such coverage bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Lender of such payment.

(d) Borrower and Lender shall adjust with the insurance companies the loss, if any, under any policies required by this Agreement in the case of any particular casualty resulting in damage or destruction. The proceeds of any such insurance shall be payable to Lender to be applied in accordance with the terms of Section 6.3 hereof.

(e) If Borrower fails to procure, pay the premium of, or deliver to Lender any of the insurance policies or renewals as required herein, Lender may elect, but shall not be obligated, to effect such insurance and pay the premiums. Borrower shall pay to Lender on demand any premiums so paid with interest thereon at the interest rate specified in the Note from the time of Lender's payment, and such advance and interest shall be an Obligation secured by the Loan Documents.

(f) In the event of foreclosure of the Deed of Trust, or other transfer of title to the Real Property in the exercise of the remedies provided to Lender in the Loan Documents, the purchaser of Real Property shall succeed to all of Borrower' rights, including any rights to unearned premiums, in and to all insurance policies required by this Section 6.3, but Borrower

shall be entitled to a credit for any such unearned premium with respect to the period after the transfer of title as against any deficiency judgment obtained by Lender, and if no such deficiency exists, to a return of such unearned premium.

(g) If Lender acquires title to some or all of the Real Property in any manner, it shall thereupon become the sole and absolute owner of all insurance policies required under Section 6.3. Upon acquisition of such policies, Lender shall have the sole right to collect and retain all unearned premiums thereon.

6.4. **Condemnation and Insurance Proceeds**. Subject to the interests of the Senior Loans, Borrower hereby assigns to Lender all of Borrower's right, title and interest in and to (a) the proceeds of any award or claim for damages, direct, consequential, or of whatever nature, including without limitation from insurance policies, in connection with any condemnation or other taking of or damage or injury to the Real Property, or any part thereof, including any award or awards for any change or changes of grade or route of streets affecting the Real Property, or for conveyance in lieu of condemnation; and (b) all causes of action, whether accrued before or after the date of this Agreement, of all types for damages or injury to or otherwise in connection with all or any part of the Real Property, or in connection with any transaction financed by funds loaned to Borrower by Lender and secured by any Loan Document, including without limitation causes of action arising in tort or contract and causes of action for fraud or concealment of a material fact.

6.5. **Indemnity**. Borrower shall indemnify, defend (through counsel selected by Lender) and hold Lender and its officers, employees and agents harmless from and against, and hereby assumes all responsibility for, all liability, loss, damage, costs, or expenses (including attorneys' fees and court costs) arising from or as a result of the death of a person or any accident, injury, loss, or damage caused to any person, the Developer Improvements, or the Real Property of any person which shall occur on or adjacent to the Real Property to the extent directly or indirectly caused, or asserted to be caused, by the acts, errors, negligence, or omissions of Borrower or its officers, agents, employees, servants, or contractor, subcontractors, and sub-subcontractors, whether such damage shall accrue or be discovered before or after termination of this Agreement.

6.6. **Representations Accurate**. The representations and warranties made by Borrower shall be and remain true at all times with the same effect as though the representations and warranties had been made at any and all times during the term of this Agreement; provided, however, that Borrower shall have a period of 30 days (or, if longer than 30 days is required, such period as is reasonably necessary) from the date Borrower becomes aware of any fact or circumstances that renders false or otherwise materially affects the veracity of any representation or warranty made by Borrower herein within which to cure or correct any such fact or circumstance. Borrower shall notify Lender within three days after becoming aware of such fact or circumstance and indicate to Lender how Borrower intends to cure or correct any such fact or circumstance.

6.7. **Notice of Claims**. Borrower shall give notice immediately to Lender of any claim made by any Party arising in connection with the Real Property.

6.8. **Additional Costs Payable**. Borrower shall pay Lender on demand any expenses

suffered, incurred, or paid by Lender which relate to (a) the making, servicing, amendment, waiver, or "workout" of the Loan, this Agreement, or the Loan Documents, (b) the exercise or defense of Lender's rights and actions hereunder, or (c) the Note or Loan Documents, including, without limitation, any charges for surveys, appraisals, and inspections, environmental assessments, and reasonable attorneys' fees, costs, or expenses arising out of any of the foregoing.

6.9. **Compliance with Environmental Laws**. Borrower shall comply with, and cause the use and operation of the Real Property, and all activities of Borrower with respect to the Real Property, at all times to comply with all applicable Environmental Laws. Borrower shall not cause or permit the presence, use, generation, release, discharge, storage, or disposal of any Hazardous Materials on, under, in, or about, or the transportation of any Hazardous Materials to or from the Real Property, provided that any such use or presence shall occur only under and in compliance with any required governmental permits and otherwise in full compliance at all times with all Environmental Laws relating to such use or presence. Borrower shall indemnify, defend, and hold Lender harmless from all damages, liabilities, expenses, and costs (including reasonable attorneys' fees) resulting from the presence or release of Hazardous Materials on the Real Property or from Borrower' failure to comply with this Section.

6.10. **Changes to Borrower's Business Form**. Borrower shall not change, dissolve, or otherwise alter its business form, or materially amend its Organizational Documents, without Lender's prior written approval, which shall not be unreasonably withheld, conditioned or delayed.

7. REPORTING COVENANTS.

Borrower agrees that at all times during the term of this Agreement and so long as any Obligations remain owing to Lender by Borrower, Borrower shall report to the Lender the following:

7.1. **Financial Statements**. Once per calendar year, Borrower shall deliver to Lender an audited financial statement (including, without limitation, an income and expense statement and balance sheet), within 30 days of its completion, signed by an authorized representative or individual, as applicable, together with copies of all tax returns within 30 days after filing and any other financial information reasonably requested by Lender for Borrower.

If audited financial information is prepared for Borrower, Borrower shall deliver to Lender copies of that information within 15 days of its final preparation. Except as otherwise agreed to by Lender, all such financial information shall be prepared in accordance with generally accepted accounting principles consistently applied.

7.2. **Books and Records**. Borrower shall maintain complete books of account and other records for the operation of the Project, and such books and records shall be available for inspection and copying by Lender upon reasonable prior notice during regular business hours.

7.3 **Reports**. Borrower shall deliver to Lender an affordable housing report as described in the Affordable Housing Compliance Plan. The affordable housing report shall be submitted to the lender at the same time as the audited Financial Statement.

8. TITLE INSURANCE.

Borrower shall procure and deliver to Lender at Closing a satisfactory binding commitment for an ALTA lender's title insurance policy to be issued by the Title Company in the amount of the Loan, insuring that Lender's Deed of Trust constitute a valid fourth-priority lien on the Real Property subject only to the Permitted Exceptions (the "*Title Policy*"). The Title Policy shall be issued to Lender at Borrower's sole expense as soon as possible following Closing.

9. COSTS AND EXPENSES.

Except as otherwise specified in this Agreement, the Loan shall be without expense to Lender. All reasonable costs and expenses incurred in the Loan shall be paid by Borrower, including without limitation the premium for the Title Policy; recording fees; costs of copies; costs of all documents, forms, and information furnished to Lender for the Loan; documentary fees; tax service charges; escrow charges; and all direct costs (including legal fees) of Lender in connection with the negotiation, closing, and administration of the Loan, whether or not Closing occurs.

10. CONDITIONS TO CLOSING.

Lender will not be obligated to complete the Closing until Borrower has fulfilled each of the following conditions. The acceptability of compliance by Borrower with the requirements of this section is within the reasonable discretion of Lender. Waiver of compliance with a required item may only be made by Lender in writing.

10.1. **Ownership of Project**. Borrower will, concurrently with the execution of this Agreement, confirm its full ownership of the Project and that such ownership is free of any encumbrances or liens, except for Permitted Exceptions, approved liens and taxes and assessments not yet due and payable.

10.2. **Execution and Delivery of Loan Documents**. This Agreement, the Note, the Deed of Trust and all other Loan Documents will have been duly executed and delivered by Borrower, in recordable form if applicable, and the Deed of Trust and such other security documents as Lender may deem reasonably appropriate will have duly been recorded or filed, as applicable.

10.3. **Settlement Statement**. Borrower will have delivered to Lender a settlement statement executed by Borrower setting forth the costs, expenses, fees, or other charges or disbursements to be made in connection with the Closing.

10.4. **Title Policy**. Lender will have received from the Title Company an irrevocable commitment to issue the Title Policy to Lender at Borrower's expense.

10.5. **Survey and Appraisal**. If required by Lender, any survey and/or appraisal of the Real Property, or any portion thereof, shall be in form and substance satisfactory to Lender and certified to Lender.

10.6. **Expenses**. Borrower will have paid Lender's reasonable out of pocket expenses

incurred in connection with the making of the Loan, including without limitation, legal fees, as well as the origination fee specified in section 2.2.

10.7. **Taxes and Assessments**. Lender will have received satisfactory evidence that all taxes and assessments affecting the Real Property which are due and payable have been, or will be in connection with the Closing, paid and discharged in full.

10.8. **Insurance Policies**. Insurance Policies as required by this Agreement will have been delivered to Lender accompanied by reasonably satisfactory evidence of payment of the premiums and, with respect to flood insurance, certification that the Real Property is not located in a flood prone area as defined by the United States Department of Housing and Urban Development in the Flood Disaster Protection Act of 1973.

10.9. **Reports**. Upon request, Lender will have received and approved in form and substance reasonably satisfactory to Lender: (a) a soils report; (b) an environmental questionnaire and environmental site assessment with respect to the presence, if any, of Hazardous Materials on the Real Property, and Developer Improvements; (c) evidence that all reasonably necessary or appropriate approvals of governmental agencies for the Developer Improvements have been obtained; (d) copies of all agreements which are material to completion of the Developer Improvements; (e) copies of all building permits and similar permits, licenses, approvals, development agreements, and other authorizations of governmental agencies required in connection with the development of the Real Property and the Developer Improvements; and (f) copies of any initial study, negative declaration, mitigated negative declaration, environmental impact report, notice of determination or notice of exemption prepared, adopted, certified or filed by or with any governmental agency in connection with the Real Property and the Developer Improvements.

10.10. **Governing Instruments**. Lender will have received and approved executed copies of the Governing Instruments.

10.11. **No Material Damage**. The Real Property will not have been materially injured or damaged by fire or other casualty or condemnation.

10.12. **No Litigation**. There will be no actions, suits, or proceedings pending or, to Borrower's knowledge, threatened against or affecting Borrower or the Real Property and Developer Improvements at law or equity, or before any Governmental Authority, which if adversely determined would materially and adversely impair the ability of Borrower to pay any amounts which become payable on the Note or under any of the other Loan Documents.

10.13. **No Event of Default**. There will be no Event of Default hereunder, or any event that with the passage of time or the giving of notice, or both, that would constitute such an Event of Default, will have occurred.

10.14. **Additional Certificates**. Borrower will have executed and delivered such additional certificates as reasonably requested by Lender to reaffirm the representations and other agreements contained in the Loan Documents.

10.15. **Compliance**. Borrower will be in full compliance with all material federal, state,

and local laws, statutes, acts, ordinances, rules, regulations of any applicable Governmental Authority, including all Environmental Laws and requirements governing the Real Property and the use of Hazardous Materials on or in connection with the Real Property.

10.16. **Senior Loans**. All Senior Loans shall have been funded at Closing per mutually agreed-upon escrow closing instructions and in compliance with the other provisions of this Agreement and the other Loan Documents.

11. EVENTS OF DEFAULT.

The following shall constitute Events of Default under this Agreement:

11.1. **Monetary Breach; Change in Financial Condition**. The occurrence of any of the following without further notice, demand, or passage of time:

(a) Borrower fails to pay within ten days after its due date any payment of due under this Agreement, the Note or any other Loan Document.

(b) Any change shall occur in the financial condition or position of Borrower which Lender shall reasonably determine to be materially adverse to Borrower and/or determine to materially increase Lender's risk of non-payment or non-performance due hereunder or due under any other Loan Document.

11.2. **Non-Monetary Breaches**. Borrower's failure to cure any of the following within 30 days after Lender gives written notice to Borrower of such breach (or if such breach cannot be cured within 30 days, such longer time as such breach can be cured by Borrower using due diligence); provided, however, that if a different period or notice requirement is specified for any particular breach under this Agreement, the Note or any other Loan Document, such specific provision shall control:

(a) Borrower commits any breach, not involving the payment of moneys, in the due observance or performance of any covenant, condition, or agreement contained in the Note, this Agreement, or any other Loan Document, including, without limitation, failure to continuously use the Project in full compliance with the Affordability Restrictions; or

(b) The breach or default by Borrower of or under any covenant, warranty, agreement, representation, performance, or requirement contained herein or contained in any of the Loan Documents, or if any covenant, warranty, agreement, or representation by Borrower shall prove to be false or misleading.

11.3. **Damage or Destruction**. The demolition, destruction, or substantial damage of the rebuilt Project so that in Lender's reasonable judgment the Project cannot be restored or rebuilt with available funds to the same condition as the Project existed prior to such damage within a reasonable time.

11.4. **Unauthorized Claims**. The recording of any claim, lien, or security interest against the Project other than in connection with the Senior Loans and the continuance of such claim of

lien for 30 days after notice from Lender without discharge, satisfaction or provision for payment being made by Borrower in a manner reasonably satisfactory to Lender.

11.5. **Bankruptcy, Etc**.

(a) The filing of any petition or the commencement of any case or proceeding by or against Borrower under any federal or state law relating to insolvency, bankruptcy, or reorganization, or the institution of any proceeding against Borrower, or any of its material assets in which forfeiture, attachment, or replevin of any material asset of Borrower is sought in the proceeding, unless such petition and the case or proceeding initiated thereby is dismissed within 60 days from the date of such filing;

(b) An adjudication that Borrower is insolvent or bankrupt;

(c) The entry of an order for relief under the Federal Bankruptcy Code with respect to Borrower;

(d) The filing of an answer by Borrower admitting the allegations of any such petition, case or proceeding; or

(e) The appointment of or the taking of possession by a custodian, trustee, or receiver for all or any assets of Borrower, unless such appointment is vacated or dismissed or such possession is terminated within 60 days from the date of such appointment or commencement of such possession, but not later than five days before the proposed sale of any assets of Borrower other than in the ordinary course of the business of Borrower

11.6. **Collateral Diminution**. Any material change in value of the Collateral that Lender reasonably determines to be materially adverse to Lender or materially increases Lender's risk of non-payment or non-performance by Borrower hereunder or under any other Loan Document.

Events of Default set forth herein and the remedies provided to Borrower for curing of such defaults shall apply to each other Loan Document. To the extent that the Events of Default and the remedies provided in each other Loan Document are inconsistent, the terms and conditions which are more beneficial to Lender, as determined by Lender, shall be controlling.

12. REMEDIES.

12.1. **Available Remedies**. Borrower agrees that upon the occurrence of any Event of Default and the failure of Borrower to cure such Event of Default as above provided, Lender shall have the right in addition to all other rights and remedies available to Lender under the Note, the Deed of Trust or the other Loan Documents, or by law, to do any or all of the following and in such order as Lender, at its sole discretion, deems advisable:

(a) Without foreclosing the Deed of Trust, Lender may, or by a receiver, at any time, enter upon and take possession of the Real Property, the Collateral, and the Personal Property and any other property which is security for the Loan, and perform any and all work and advance and expend all sums and incur such expenses as may be reasonably necessary to complete the Project substantially in accordance with the Plans and Specifications, and may employ watchmen

to protect the Project from injury. Without limiting the scope of the foregoing, Lender, at any time following the occurrence of an Event of Default, may (i) change the address for delivery of mail addressed to Borrower to such address as Lender may designate, (ii) endorse Borrower' name upon any notes, acceptances, checks, drafts, money orders, or other evidences of payment, and (iii) complete in Borrower name any order, sale, or transaction, obtain the necessary documents in connection therewith, and collect the proceeds thereof. Borrower hereby appoints Lender as its attorney-in-fact, which right is coupled with an interest, to take all of such acts, and all acts of Lender as attorney-in-fact for Borrower is hereby ratified and approved by Borrower. Neither Lender nor its attorneys will be liable for any acts or omissions nor for any error of judgment or mistakes of fact or law, except for Lender's willful misconduct or gross negligence.

(b) Lender may declare the entire principal balance of the Note then due and payable.

(c) Lender may exercise any other right, privilege, or remedy available to Lender under any of the Loan Documents or as may be provided by applicable law or in equity.

12.2. **Cumulative Remedies**. Lender shall have the right to enforce any one or more of the remedies provided hereunder or by law or in equity either successively or concurrently, and any such action by Lender shall not be deemed an election of remedies or otherwise prevent Lender from pursuing any further remedy it may have hereunder or at law or in equity. The rights and remedies of Lender are cumulative.

12.3. **No Duty to Perform for Borrower**. Nothing contained herein shall obligate Lender to attempt to perform the terms, conditions, and agreements herein on the part of Borrower to be performed, and Lender shall have no liability whatsoever to Borrower for failing, attempting, or ceasing to perform the same, or for the manner of performing the same or any part thereof.

12.4. **Advances**. All sums expended and expenses incurred by Lender in the exercise of the rights conferred in this Section shall be deemed to be advanced and loaned to Borrower hereunder, and payment thereof shall be secured by the Loan Documents. All such sums and expenses so expended and incurred by Lender shall be deemed to be evidenced by the Note, provided, however, that Lender may demand immediate repayment of sums so expended and that the same shall bear interest at the Default Rate.

12.5. **Costs and Fees**. Borrower shall pay to Lender upon demand all reasonable costs, expenses, and fees (including reasonable attorneys' fees), whether suit be instituted or not, before and after judgment, and for any judicial proceeding at the trial court and appellate levels (and if suit is instituted, such fees as shall be fixed by a judge sitting without a jury) incurred by Lender in protecting or enforcing its rights hereunder, and under all agreements and documentation contemplated hereby, and all expenses of taking possession, holding, and disposing of the Collateral and/or incurred in any bankruptcy or insolvency proceeding.

13. MISCELLANEOUS.

13.1. **No Waiver of Governmental Immunity**. Borrower acknowledges that Lender is an agency of the State of Utah and as such is subject to the provisions of the Governmental Immunity Act of Utah, UTAH CODE ANN. § 63G-7-101 et seq. (the "*Immunity Act*"). No covenant,

provision or agreement contained in any of the Loan Documents will be deemed to be a waiver of Lender's rights under the Act.

13.2. **Incorporation in Loan Documents**. The Loan Documents shall be deemed to incorporate this Agreement, and if the Loan Documents or other agreements, documents, or instruments contemplated thereby are assigned by Lender, this Agreement shall be considered assigned in like manner. A breach or default by Borrower of any term or condition of this Agreement or any Loan Document shall constitute a default under this Agreement and each Loan Document.

13.3. **Exclusiveness of the Loan Documents**. The Loan Documents are made for the sole benefit of Borrower and Lender and their successors and assigns, and no other person is intended to or shall have any rights hereunder, whether as a third-party beneficiary or otherwise.

13.4. **Notices and Place for Payment of Obligations**. All notices, requests, demands, and other communications hereunder shall be in writing and shall be given (a) by Federal Express (or other established express delivery service which maintains delivery records), (b) by hand delivery, or (c) by certified or registered mail, postage prepaid, return receipt requested, to the Parties at the following addresses, or at such other address as the Parties may designate by written notice in the above manner:

To Lender:	Redevelopment Agency of Midvale City Attention: RDA Director 7505 South Holden Street Midvale, Utah 84047
To Borrower:	Sunset Gardens, LLC 3595 South Main Street Salt Lake City, UT 84115

Such communications may also be given by facsimile transmission, provided any such communication is concurrently given by one of the above methods. Notices shall be deemed effective upon receipt, or upon attempted delivery thereof if delivery is refused by the intended recipient or if delivery is impossible because the intended recipient has failed to provide a reasonable means for accomplishing delivery. All Obligations shall be paid to Lender at the address set forth in this Article or such other place as designated by Lender by written notice to Borrower.

13.5. **Governing Law**. This Agreement, the other Loan Documents, and all transactions contemplated hereunder and/or evidenced hereby will be governed by, construed under, and enforced in accordance with the internal laws of the State of Utah without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than Utah.

13.6. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. If there is more than one Borrower, the obligation of Borrower under this Agreement and all of the other Loan Documents shall be joint

and several.

13.7. **Severability; Etc**. Inapplicability or unenforceability of any provision of this Agreement shall not limit or impair the operation or validity of any other provision of this Agreement. The Loan Documents supersede all prior agreements, and constitute the entire agreement between the Parties, with respect to the subject matter hereof and no modification or waiver shall be effective unless in writing and signed by the Party to be charged. All documents and other matters required to be furnished by Borrower shall be satisfactory in form and substance to counsel for Lender. Time is the essence of this Agreement.

13.8. **Assignability**. Borrower shall not assign this Agreement, any rights in the Loan, the Loan proceeds, or any part of any advance to be made hereunder, the same being personal to Borrower. The rights of Lender under this Agreement are assignable in part or wholly, and any assignee of Lender shall succeed to and be possessed of the rights of Lender hereunder to the extent of the assignment made, including the right to make advances to Borrower.

13.9. **Headings**. All descriptive headings of sections and paragraphs in this Agreement are inserted for convenience only and shall not affect the construction or interpretation hereof.

13.10. **No Agency Relationship**. The sole relationship between Lender and Borrower is that of creditor and debtor. By making the Loan or taking any action under this Agreement or any other Loan Document, Lender shall not be deemed to be a partner or a joint venturer with Borrower, and Borrower shall defend, indemnify and hold harmless Lender from any and all damages arising out of any claim that the Loan or any of the Loan Documents constitutes a partnership or joint venture between Borrower and Lender.

13.11. **Waiver of Defaults**. The waiver by Lender of any breach or default by Borrower under any of the terms of any of the Loan Documents shall not be deemed to be a waiver of any subsequent breach or default on the part of Borrower under the same or any other of the Loan Documents.

13.12. **Indemnification**. Borrower shall indemnify, defend, and hold Lender harmless from and against any and all claims, demands, or obligations which may be asserted in connection with or arising directly or indirectly out of the Loan or the Project, whenever asserted, and for all reasonable expenses (including attorneys' fees) which may be incurred by Lender on account of or arising from any such claim, demand or obligation, except such claims as arise from the gross negligence or willful misconduct of Lender or Lender's agents or employees. This indemnification shall survive the performance of this Agreement and the full satisfaction of all Borrower's obligations within the contemplation of this Agreement and the other Loan Documents. This indemnification is in addition to any other indemnification given by Borrower or other person or entity with regard to the Loan or the Project.

13.13. **No Oral Agreements**. This Agreement together with all Loan Documents constitute the final expression of the agreements between Borrower and Lender and none of those agreements may be contradicted by evidence of any alleged oral agreement.

13.14. **Discrimination**. If the Loan is granted, Borrower will not discriminate on the basis

of race, color, creed, sex, handicap, or national origin in the sale, lease, rental use, or occupancy of the Real Property. Lender shall be deemed to be a beneficiary of these provisions both for and in its own right, and also for the purpose of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit these provisions have been provided, and shall have the right, in the event of any breach or default of these provisions, to maintain any actions at law or in equity or any other proper proceedings.

13.15. **Waiver of Right to Trial by Jury**. Each Party hereby expressly waives any right to trial by jury of any claim, demand, action, or cause of action (a) arising hereunder, including, without limitation, any present or future modification hereof, or (b) in any way connected with or related or incidental to the dealings of the Parties hereto or any of them with respect to this Agreement (as now or hereafter modified) or any other instrument, document, or agreement executed or delivered in connection herewith, or the transactions related hereto or thereto, in each case whether such claim, demand, action, or cause of action is now existing or hereafter arising, and whether sounding in contract or tort or otherwise. Each Party hereby agrees and consents that any such claim, demand, action, or cause of action, if brought to trial, shall be decided by court trial without a jury, and that any Party to this Agreement may file an original counterpart or a copy of this section with any court as written evidence of the consent of the Parties to the waiver of any right they might otherwise have to trial by jury.

13.16. **Warranty Against Payment of Consideration for Agreement**. Borrower warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement, other than normal costs of conducting business and costs of professional services such as architect, engineers and attorneys.

[Signature pages follow]

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

LENDER:

REDEVELOPMENT AGENCY OF MIDVALE CITY, a public agency

By: _____
Marcus Stevenson, RDA Board Chair

By: _____
Matt Dahl, RDA Executive Director

Approved as to legal form:

By: _____
Rori Andreason, RDA Secretary

Approved as to legal form:

Wm. Shane Topham

By: _____
Wm. Shane Topham,
RDA Special Counsel

BORROWER:

SUNSET GARDENS, LLC

By: Sunset Gardens Management, LLC, a Utah limited liability company, its manager

By: Housing Opportunities Inc., a Utah non-profit corporation

By: _____
Janice Kimball, Executive Director

Exhibit “A” to Loan Agreement

REAL PROPERTY LEGAL DESCRIPTION

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

Beginning at a point on the South line of 7200 South Street said point being South 0°04’00” West 1218.60 feet along the section line to a street monument at the intersection of 7200 South and 700 East and North 89°42’16” West 2225.94 feet along the 7200 South monument line and South 44.00 feet from the northeast Corner of Section 30, Township 2 South, Range 1 East, Salt Lake Base and Meridian, and running; thence South 89°42’16” East 153.35 feet along the south line of said 7200 South; thence South 183.20 feet; thence East 85.89 feet to the west line of Walker Park Lane PUD as found on file in the office of the Salt Lake County Recorder, Book 2008P, Page 194; thence South 0°16’00” West 587.18 feet along said Walker Park Lane PUD to the North line of the Jordan and Salt Lake City Canal; thence South 38°56’45” West 102.32 feet along the north line of said canal to an existing fence line as called for in the Boundary Line Agreement recorded December 27, 1995 as Entry No. 6245052 in Book 7298 at Page 2730; thence North 50°05’48” West 129.29 feet along said fence line to the Southeast Corner of Patricia Ann Cummins property as described in a Warranty Deed recorded March 26, 2002 as Entry No. 8185077 in Book 8580 at Page 1756; thence North 46°04’44” West 101.36 feet along the east line of said Cummins property and along said fence line; thence North 697.50 feet to the point of beginning.

Tax Parcel No.: 22-30-251-136-0000

Exhibit “B” to Loan Agreement

PROFORMA

PROJECT SUMMARY

Sunset Gardens

Revision Date: 9/14/2022

SOURCES AND USES SUMMARY

Development Costs		
Acquisition		
Land	$0/unit	0
Basis Eligible Acquisition Cost	$0/unit	0
Subtotal Acquisition	**$0/unit**	**0**
Hard Costs		
Design Assist	$0/unit	0
Offsites	$0/unit	0
Sitework	$0/unit	0
Parking	$0/unit	0
Vertical	$213,055/unit	18,961,932
GC Contingecy	$0/unit	0
Overhead, Profit, General Conditions	$0/unit	0
Owner Contingency	$10,653/unit	948,097
Subtotal Hard Costs	**$223,708/unit**	**19,910,029**
Soft Costs		
A&E	$7,603/unit	676,710
Financing Fees and Interest	$11,139/unit	991,363
Legal Fees	$2,360/unit	210,000
Reserves	$2,747/unit	244,469
Development Impact and Permit Fees	$5,056/unit	450,000
Developer Fee	$21,222/unit	1,888,744
Misc (Acctg, Marketing, Reports, Studies, Etc)	$7,074/unit	629,553
Contingency	$1,300/unit	115,675
Subtotal Soft Costs	**$58,500/unit**	**5,206,514**
Total Development Costs	**$282,208/unit**	**25,116,543**

Sources		
Federal LIHTC Equity	38%	9,599,040
State LIHTC Equity	0%	0
OWLF - HOME	4%	1,000,000
Perm Loan (Tranche A)	25%	6,377,621
OWLF - NHTF	4%	1,000,000
Deferred Developer Fee	4%	939,881
GP note	14%	3,600,000
County Trust funds	0%	0
County HOME	4%	900,000
RDA	7%	1,700,000
Total Development Sources	**100%**	**25,116,543**

FINANCING ASSUMPTIONS

Equity

	Closing	*Completion*	*Conversion*	*8,609*
Equity Pay In	10%	20%	68%	3%

Federal Tax Credit Price	$ 0.9600
State Tax Credit Price	$ 0.8200
Solar Tax Credit Price	$ -
LIHTC Credit Rate	4.00%
LP Interest	99.99%
10 Yr Federal Tax Credits	10,000,000
3 Yr State Credits	0
Solar Credits	0

Debt

Opr. Exp./Unit/Year	5,346
Replacement Reserves/Unit/Year	300
Vacancy Rate	5.00%
DCR	1.17
Perm Loan Amort	40
Interest Rate - Permanent Loan	5.914%
Interest Rate - Construction Loan	4.60%
Total Construction Loan	11,620,486

Tax Credit Considerations

DDA/QCT Boost	yes
Rural Designation	yes
50% Test	55.00%
CA 9% Site Amenity Score	N/A
CA 9% Tiebreaker	0.00%
Housing Set Aside	Family
Prevailing Wage (State, Federal, Both):	None

PRELIM DEVELOPMENT PROGRAMMING SUMMARY

City:	Midvale
MSA:	Salt Lake City
4 Person 50% AMI:	$51,200
Site (acres):	
Construction Type:	
No. of Stories:	
Parking Type:	
No. of Stalls:	
Extraordinary Cond:	
Impact Fees per Unit:	0
Financing Sources:	0

PROJECT UNIT & INCOME MIX

AMI	Studio	1BR	2BR	3BR	Totals
Sq. Ft.		582	860	1,260	60,226
UA		$82.00	$104.00	$134.00	
					0
100%	0	0	0	0	0
50%	0	7	9	1	17
45%	0	41	6	1	48
41%	0	6	0	0	6
30%	0	6	6	1	13
25%	0	3	2	0	5
Mgr.	0	0	0	0	0
Totals	0	63	23	3	89

PROJECT TIMING

3.58%

PROJECTED SOURCES AND USES OF FUNDS

Sunset Gardens
9/14/2022

			Pre-Dev	Close	Construction Period Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Construction Subtotal	Stabilization 6 months	Conversion	8609	Total
					20%	24%	27%	18%	12%					
	SOURCES OF FUNDS													
1	Federal LIHTC Equity		0	959,904	-	-	959,904	-	-	**1,919,808**	1,919,808	5,519,448	239,976	**9,599,040**
2	State LIHTC Equity			-	-	-	-	-	-	**-**	-	-	-	**-**
3	Solar Equity			-	-	-	-	-	-	**-**	-	-	-	**-**
4	Solar Rebates			-	-	-	-	-	-	**-**	-	-		**-**
5	Construction Loan		0	-	-	2,524,208	4,477,325	3,696,246	2,494,389	**13,192,168**	(1,571,682)	(11,620,486)	-	**-**
6	Perm Loan (Tranche A)			-	-	-	-	-	-	**-**	-	6,377,621	-	**6,377,621**
7	Income at stablization			-	-	-	-	-	-	**-**	-	**240,000**	-	**240,000**
8	Deferred Developer Fee			-	-	-	-	-	-	**-**	-	939,881	-	**939,881**
9	**OWLF - HOME**			**900,000**	-	-	-	-	-	**900,000**	-	100,000	-	**1,000,000**
10	**OWLF - NHTF**			**900,000**	-	-	-			**900,000**	-	**100,000**	-	**1,000,000**
11	**County HOME**			-	-	**900,000**		-		**900,000**	-	-	-	**900,000**
12	**GP note**			**3,600,000**						**3,600,000**	-	-	-	**3,600,000**
13	**RDA**			-	**1,530,000**					**1,530,000**		**170,000**	-	**1,700,000**
14	**County Trust funds**					-	-			**-**		-	-	**-**
22	**Total Sources of Funds**		**-**	**6,359,904**	**1,530,000**	**3,424,208**	**5,437,229**	**3,696,246**	**2,494,389**	**22,941,976**	**348,126**	**1,826,465**	**239,976**	**25,356,543**
23														
24														
25	**USES OF FUNDS**													
26	ACQUISITION													
27	Land Value Residual Receipts Lease			-	-	-	-	-	-	**-**	-	-	-	**-**
28	Land Lease Rent Prepayment			-	-	-	-	-	-	**-**	-	-	-	**-**
29	Legal & Carrying Costs			-	-	-	-	-	-	**-**	-	-	-	**-**
30	Demolition			-	-	-	-	-	-	**-**	-	-	-	**-**
31	Verifiable Carrying Costs			-	-	-	-	-	-	**-**	-	-	-	**-**
32	Basis Eligible Acquisition Cost		0	-	-	-	-	-	-	**-**	-	-	-	**-**
33	Other: Closing Costs			-	-	-	-	-	-	**-**	-	-	-	**-**
34	**Total Land / Acquitisiton**			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
35														
48	RELOCATION													
49	Relocation Admin			**388,320**	-	-	-	-	-	**388,320**	-			**388,320**
50	Permanent Relocation Expense			-	-	-	-	-	-	**-**	-	-	-	**-**
51	**Total Relocation**		-	388,320	-	-	-	-	-	**388,320**	-	-	-	**388,320**
52														
53	NEW CONSTRUCTION													
59	Vertical incl fees	$213,055.42/unit		-	3,792,386	4,456,054	5,119,722	3,413,148	2,180,622	**18,961,932**	-	-	-	**18,961,932**
66	**Total New Construction**		**-**	**-**	**3,792,386**	**4,456,054**	**5,119,722**	**3,413,148**	**2,180,622**	**18,961,932**	**-**	**-**	**-**	**18,961,932**
67														
68	ARCHITECTURAL													
69	Building		0	**676,710**	-	-	-	-	-	**676,710**	-	-	-	**676,710**
70	Landscape		0	-	-	-	-	-	-	**-**				**-**
75	**Total Architectural**		**-**	**676,710**	**-**	**-**	**-**	**-**	**-**	**676,710**	**-**	**-**	**-**	**676,710**
76														
77	SURVEY & ENGINEERING													
78	Civil		0	-	-	-	-	-	-	**-**	-	-	-	**-**
79	Energy Consultant		0	-	-	-	-	-	-	**-**	-	-	-	**-**
83	Soils		0	-	-	-	-	-	-	**-**	-	-	-	**-**
84	Other:		0	-	-	-	-	-	-	**-**	-	-	-	**-**
85	Dry Utilities		0	-	-	-	-	-	-	**-**	-	-	-	**-**
86	**Total Survey & Engineering**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
87														
88	CONTINGENCY COSTS													
89	Hard Cost Contingency	**5%**		-	189,619	222,803	255,986	170,657	109,031	**948,097**		-	-	**948,097**
90	Soft Cost Contingency	**5%**	0	95,918	620	1,104	2,930	5,354	9,749	**115,675**	-	-	-	**115,675**
91	**Total Contingency**		**-**	**95,918**	**190,239**	**223,907**	**258,916**	**176,012**	**118,780**	**1,063,772**	**-**	**-**	**-**	**1,063,772**
92														
93	CONSTRUCTION PERIOD EXPENSES													
94	Construction Loan Interest			-	-	9,676	46,191	94,687	132,586	**283,140**	288,358	0	-	**571,498**
95	Soft loan			-	-	-	-	-	-	**-**	-	-	-	**-**
96	Soft Loan Interest			-	-	-	-	-	-	**-**	-	-	-	**-**
97	Origination/Processing Fee	**0.85%**		98,774	-	-	-	-	-	**98,774**	-	-	-	**98,774**
98	Soft Loan origination fee			-	-	-	-	-	-	**-**	-	-	-	**-**
99	Owner Paid Bonds			-	-	-	-	-	-	**-**	-	-	-	**-**
100	Lender Inspection Fees			-	**2400**	**2,400**	**2,400**	**2,400**	**2,400**	**12,000**	-	-	-	**12,000**
101	Taxes During Construction			-	-		-	-	-	**-**	-	-	-	**-**
102	Other: Application fee			-	-	-	-	-	-	**-**	-	-	-	**-**
103	Insurance During Construction			**95,414**	-	-	-	-	-	**95,414**	-	-	-	**95,414**
104	Title and Recording Fees			**45,000**	-	-	-	-	-	**45,000**	-	-	-	**45,000**
105	Construction Mgmt. and Monitoring		0	-	**10000**	**10000**	**10000**	**10000**	**10000**	**50,000**	-	-	-	**50,000**
106	Predevelopment Loan Interest		0	-	-	-	-	-	-	**-**	-	-	-	**-**
107	Other: Lender Due Diligence		0	**11,000**	-	-	-	-	-	**11,000**	-	-	-	**11,000**
108	Other: Investor Due Diligence			-	-	-	-	-	-	**-**	-	-	-	**-**
109	**Total Construction Period Expense**		**-**	**250,188**	**12,400**	**22,076**	**58,591**	**107,087**	**144,986**	**595,329**	**288,358**	**-**	**-**	**883,687**
110														
111	PERMANENT FINANCING EXPENSES													
112	Loan Origination Fees	**1.00%**		66,176	-	-	-	-	-	**66,176**	-		-	**66,176**

PROJECTED SOURCES AND USES OF FUNDS

Sunset Gardens
9/14/2022

				Pre-Dev	Close	Construction Period Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	Construction Subtotal	Stabilization 6 months	Conversion	8609	Total
						20%	24%	27%	18%	12%					
113	Other Origination Fee	0.00%	0		6,500	-	-	-	-	-	6,500	-	-	-	6,500
114	Title and Recording Fees				-	-	-	-	-	-	-	-	35,000	-	35,000
115	Property Taxes				-	-	-	-	-	-	-	-	-	-	-
116	Insurance				-	-	-	-	-	-	-	-	-	-	-
117	Other: Issuer Fee	0.000%	0	-	-	-	-	-	-	-	-	-	-	-	-
118	Other:				-	-	-	-	-	-	-	-	-	-	-
119	**Total Permanent Financing**			-	72,676	-	-	-	-	-	**72,676**	-	35,000	-	**107,676**
120															
121	LEGAL FEES														
122	Construction Lender Legal				10,000	-	-	-	-	-	10,000	-	-	-	10,000
123	Permanent Lender Legal				-	-	-	-	-	-	-	-	10,000	-	10,000
124	Sponsor Legal		0		140,000	-	-	-	-	-	140,000	-	.	-	140,000
125	Organizational Legal				-	-	-	-	-	-	-	-	-	-	-
126	Other Legal (Issuer Legal, Bond Counsel)				-	-	-	-	-	-	-	-	-	-	-
127	Other: RDA legal				50,000	-	-	-	-	-	50,000	-	-	-	50,000
128	Other: GP Legal		0		-	-	-	-	-	-	-	-	-	-	-
129	**Total Legal Fees**			-	200,000	-	-	-	-	-	**200,000**	-	10,000	-	**210,000**
130															
131	CAPITALIZED RESERVES														
132	Operating Reserve	3 months			-	-	-	-	-	-	-	-	244,469	-	244,469
133	Replacement Reserve				-	-	-	-	-	-	-	-	-	-	-
134	Rent-up Reserve				-	-	-	-	-	-	-	-	-	-	-
135	Transition Reserve				-	-	-	-	-	-	-	-	-	-	-
136	Other: Prepaid HOA				-	-	-	-	-	-	-	-	-	-	-
137	Other: Capitalized LP Fee				-	-	-	-	-	-	-	-	-	-	-
138	**Total Reserves**			-	-	-	-	-	-	-	-	-	244,469	-	**244,469**
139															
140	REPORTS & STUDIES														
141	Market Study		0		3,500	-	-	-	-	-	3,500	-	-	-	3,500
142	Relocation Plan & consulting		0		50,000	-	-	-	-	-	50,000	-	-	-	50,000
143	Appraisal		0		-	-	-	-	-	-	-	-	-	-	-
144	Environmental		0		2,500	-	-	-	-	-	2,500	-	-	-	2,500
145	Other: Survey/traffic study/asbestos		0		18,850	-	-	-	-	-	18,850	-	-	-	18,850
146	Other: Investor Deposit		0		-	-	-	-	-	-	-	-	-	-	-
147					-	-	-	-	-	-	-	-	-	-	-
148			0		-	-	-	-	-	-	-	-	-	-	-
149	**Total Reports & Studies**			-	74,850	-	-	-	-	-	**74,850**	-	-	-	**74,850**
150															
151	OTHER														
152	UHC App./Alloc/Monitoring Fees		0		87,615	-	-	-	-	-	87,615	-	-	-	87,615
153	Bond fees	0.00%	0			-	-	-	-	-	-	-	-	-	-
154	Local Permit Fees		0		450,000	-	-	-	-	-	450,000	-	-	-	450,000
155	Local Development Impact Fees	$0/unit	0		-	-	-	-	-	-	-	-	-	-	-
156	School Fees				-						-				-
157	Financial Consultant		0		120,000	-	-	-	-	-	120,000	-	30,000	-	150,000
158	Syndicator/Investor Fees & Expenses				59,000	-	-	-	-	-	59,000	-	-	-	59,000
159	Furnishings				-	-	-		-	50,000	50,000	-	-	-	50,000
160	Final Cost Audit Expense				-	-	-	-	-	-	-	15,000	-	-	15,000
161	Marketing/Rent up reserve		0		-	-	-		-	-	-	44,768	-	-	44,768
162	MGP Services Fee					-	-	-	-	-	-	-	-	-	-
163	Soft Lender fees		0		-	-	-	-	-	-	-	-	-	-	-
164	Accounting/Finance/Admin		0		-	-	-	-	-	-	-	-	-	-	-
165	Other soft costs				-	-	-	-	-	-	-	-	-	-	-
166	Bond Performance Deposit		0		-	-	-	-	-	-	-	-	-	-	-
167	**Total Other Costs**			-	716,615	-	-	-	-	50,000	**766,615**	59,768	30,000	-	**856,383**
168															
169	DEVELOPER COSTS														
170	Developer Fee				141,773			-	-	-	-	141,773	-	1,506,995	239,976	1,888,744
177	**Total Developer Costs**			-	141,773	-	-	-	-	-	**141,773**	-	1,506,995	239,976	**1,888,744**
178															
179															
180	**Total Uses of Funds**			-	**2,617,050**	**3,995,026**	**4,702,037**	**5,437,229**	**3,696,246**	**2,494,389**	**22,941,976**	**348,126**	**1,826,465**	**239,976**	**25,356,543**
181	Net Source & Use				3,742,854	(2,465,026)	(1,277,828)	-	-	-	-	-	0	-	**0**
182	Distributions				-										-
183	**Balance of Funds**				**3,742,854**	**1,277,828**	-	-	-	-		-	**0**	**0**	**0**
															$25,356,543

OPERATING BUDGET & INCOME ANALYSIS

Sunset Gardens

Year	2022
MSA	Salt Lake City
4 Person 50% AMI	$51,200

Housing Connect UA 8/1/21

Rent:	Restriction	%AMI	Units	Square Feet/Unit	Total Sq. Ft.	Gross Rents	Utility Allowance	Monthly Net Rent	Annual Rent
1BR/1BA	LIHTC	50%	7	582	4,074	$ 960	$ 82.00	$ 878.00	$ 73,752
1BR/1BA	LIHTC	45%	41	582	23,862	$ 864	$ 82.00	$ 781.75	$ 384,621
1BR/1BA	LIHTC	41%	6	582	3,492	$ 708	$ 82.00	$ 626.28	$ 45,092
1BR/1BA	LIHTC	30%	6	582	3,492	$ 576	$ 82.00	$ 494.25	$ 35,586
1BR/1BA	LIHTC	25%	3	582	1,746	$ 432	$ 82.00	$ 349.88	$ 12,596
2BR/1BA	LIHTC	50%	9	860	7,740	$ 1,152	$ 104.00	$ 1,048.00	$ 113,184
2BR/1BA	LIHTC	45%	6	860	5,160	$ 1,037	$ 104.00	$ 932.50	$ 67,140
2BR/1BA	LIHTC	30%	6	860	5,160	$ 691	$ 104.00	$ 587.00	$ 42,264
2BR/1BA	LIHTC	25%	2	860	1,720	$ 518	$ 104.00	$ 414.25	$ 9,942
3BR/2BA	LIHTC	50%	1	1,260	1,260	$ 1,331	$ 134.00	$ 1,197.25	$ 14,367
3BR/2BA	LIHTC	45%	1	1,260	1,260	$ 1,198	$ 134.00	$ 1,064.13	$ 12,770
3BR/2BA	LIHTC	30%	1	1,260	1,260	$ 799	$ 134.00	$ 664.75	$ 7,977
					0	$ -			
Total Rents			89		60,226				819,290

per Hsg Connect 2-22

RA Contract Rent	Units	Annual Overhang
$ 1,161	0	$ -
$ 1,161	4	$ 18,204
$ 1,161	6	$ 38,500
$ 1,161	6	$ 48,006
$ 1,161	3	$ 29,201
$ 1,327	0	$ -
$ 1,327	6	$ 28,404
$ 1,327	6	$ 53,280
$ 1,327	2	$ 21,906
$ 1,690	1	$ 5,913
$ 1,690	1	$ 7,511
$ 1,690	1	$ 12,303
	36	263,227

Income from Operations	PUPM			
Laundry	$ 10.00		10,680	
Other Income (App. Fees, Late, etc.)	$ 10.00		10,680	
Rental Assistance			**263,227**	284,587
Sub-Total			1,103,877	
Less: Vacancies @	5%		55,194	
Total Income			**1,048,683**	
Operating Expenses	PUPA	Notes		
Admin	$ 506		45,000	
Management Fee	$ 512		45,557	
Utilities	$ 843		75,000	
Payroll	$ 1,350		120,150	
Repair & Maintenance	$ 1,161		103,329	
Insurance	$ 275		24,475	
Taxes (HOA, CFD)	$ 700		62,300	
Other	$ -		0	
Total Expenses	$ 5,346		**475,811**	
Net Operating Income			**572,872**	
Reserves	$300.00/unit		26,700	546,172.14
Services	$0/unit		0	
County HOME pmt	*0.000%*		**25,597**	
OWHLF pmt			**33,261**	
Net Income Available for Debt Service			**487,314**	

Loan Sizing	Tranche A	Tranche B	Tranche C
Loan Amount	6,377,621	1,000,000	900,000
Interest	5.91%	1.50%	1.50%
Term	**16**	**40**	**40**
Amortization	40	**40**	**40**
Debt Service Coverage	1.17	**1.15**	**1.15**
Monthly Payment	34,709	2,772	2,133
Annual Payment	416,508	33,261	25,597
Cash Flow After D/S	129,665	**96,404**	**70,807**

OPERATIONAL CASH FLOW

Sunset Gardens

			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Gross Revenue	Inflation @	2.00%	1,103,877	1,125,955	1,148,474	1,171,443	1,194,872	1,218,769	1,243,145	1,268,008	1,293,368	1,319,235	1,345,620	1,372,532	1,399,983	1,427,983	1,456,542
Vacancy		5%	(55,194)	(56,298)	(57,424)	(58,572)	(59,744)	(60,938)	(62,157)	(63,400)	(64,668)	(65,962)	(67,281)	(68,627)	(69,999)	(71,399)	(72,827)
Net Revenue			1,048,683	1,069,657	1,091,050	1,112,871	1,135,128	1,157,831	1,180,988	1,204,607	1,228,699	1,253,273	1,278,339	1,303,906	1,329,984	1,356,583	1,383,715
Operating Expenses	Inflation @	3.00%	475,811	490,085	504,788	519,932	535,529	551,595	568,143	585,188	602,743	620,825	639,450	658,634	678,393	698,745	719,707
Net Operating Income			**572,872**	**579,571**	**586,262**	**592,939**	**599,599**	**606,236**	**612,844**	**619,420**	**625,956**	**632,448**	**638,889**	**645,272**	**651,591**	**657,839**	**664,008**
Replacement Reserves		0.00%	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700	26,700
Services	Inflation @	2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Available to Debt Service			**546,172**	**552,871**	**559,562**	**566,239**	**572,899**	**579,536**	**586,144**	**592,720**	**599,256**	**605,748**	**612,189**	**618,572**	**624,891**	**631,139**	**637,308**
Principal and Interest	**6,377,621**	5.91%	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508
OWHLF pmt		0.00%	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261
County HOME pmt			25,597	25,597	25,597	25,597	25,597	25,597	25,597	25,597	25,597	25,597	25,597	25,597	25,597	25,597	25,597
Other			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Project Cash Flow			**70,807**	**77,506**	**84,197**	**90,874**	**97,534**	**104,170**	**110,779**	**117,355**	**123,891**	**130,383**	**136,823**	**143,207**	**149,526**	**155,774**	**161,943**
		DSCR	1.15	1.16	1.18	1.19	1.21	1.22	1.23	1.25	1.26	1.27	1.29	1.30	1.31	1.33	1.34
Distributions:																	
GP fee	20,000	3.00%	20,000	20,600	21,218	21,218	21,218	21,218	21,218	21,218	21,218	21,218	21,218	21,218	21,218	21,218	21,218
OWHLF NHTF Minimum payment	1,000		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Services Fee	26,850	3.00%	26,850	27,656	28,485	29,340	30,220	31,127	32,060	33,022	34,013	35,033	36,084	37,167	38,282	39,430	40,613
LP Fee	3,000	0.00%	3,000	3,000	3,000	3,000	3,000	3,300	3,300	3,300	3,300	3,300	3,630	3,630	3,630	3,630	3,630
Deferred Dev Fee	100%of Avail Cashflow	1.00%	59,957	66,451	72,930	78,752	84,532	89,962	95,637	101,250	106,796	112,268	117,327	18,687	0	0	0
Cash Available After Deferred Fee Payment			**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**103,941**	**127,832**	**132,932**	**137,918**
Ground Lease	50%of Avail Cashflow	6.75%	0	0	0	0	0	0	0	0	0	0	0	51,970	63,916	66,466	68,959
Cash Available For Public Soft Loans	50%of Avail Cashflow		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**51,970**	**63,916**	**66,466**	**68,959**
OWLF - NHTF	37.0%of Avail Cashflow	0.00%	0	0	0	0	0	0	0	0	0	0	0	19,248	23,673	24,617	25,540
RDA	63.0%of Avail Cashflow	1.50%	0	0	0	0	0	0	0	0	0	0	0	32,722	40,243	41,849	43,419
County Trust funds	0.0%of Avail Cashflow	1.50%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Check	*100.0%of Avail Cashflow*																
Cash Flow Available After Soft Loan Loans			**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
GP note		100.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow Available after Ground Lease/GP note			**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
LP Distribution		99.99%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Distribution		0.01%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash Flow After Partnership Distribution			**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

DEBT AMORTIZATION TABLES

Sunset Gardens

Perm Loan (Tranche A)															
Loan Amount	6,377,621														
Interest Rate	**5.91%**														
Term	40														
Monthly Payment	34,709														
Annual Debt Service	416,508														
Conversion	**6/1/2021**	6													
	12/31/19														
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
Beginning Balance	6,377,621	6,338,286	6,296,625	6,252,500	6,205,765	6,156,267	6,103,841	6,048,314	5,989,504	5,927,216	5,861,244	5,791,370	5,717,365	5,638,982	5,555,964
Debt Service	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508	416,508
Interest	377,173	374,846	372,382	369,773	367,009	364,082	360,981	357,697	354,219	350,536	346,634	342,502	338,125	333,489	328,580
Principal	39,335	41,661	44,125	46,735	49,499	52,426	55,526	58,810	62,288	65,972	69,874	74,006	78,383	83,018	87,928
Unpaid Accrued Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Payoff/Refinance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	6,338,286	6,296,625	6,252,500	6,205,765	6,156,267	6,103,841	6,048,314	5,989,504	5,927,216	5,861,244	5,791,370	5,717,365	5,638,982	5,555,964	5,468,036

OWLF HOME															
Loan Amount	1,000,000														
Interest Rate	**1.50%**														
Term	40														
Monthly Payment	2,772														
Annual Debt Service	33,261														
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
Beginning Balance	1,000,000	981,739	963,205	944,392	925,297	905,916	886,244	866,277	846,010	825,440	804,561	783,369	761,858	740,026	717,865
Payments	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261
Interest Earned	15,000	14,726	14,448	14,166	13,879	13,589	13,294	12,994	12,690	12,382	12,068	11,751	11,428	11,100	10,768
Interest Paid	15,000	14,726	14,448	14,166	13,879	13,589	13,294	12,994	12,690	12,382	12,068	11,751	11,428	11,100	10,768
Beginning Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal	18,261	18,535	18,813	19,095	19,381	19,672	19,967	20,267	20,571	20,879	21,192	21,510	21,833	22,160	22,493
Loan Payoff/Refinance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	981,739	963,205	944,392	925,297	905,916	886,244	866,277	846,010	825,440	804,561	783,369	761,858	740,026	717,865	695,372

OWLF - NHTF															
Loan Amount	1,000,000														
Interest Rate	**0.00%**														
Term	**40**														
Monthly Payment	2,083														
Annual Debt Service	25,000														
37.0%of Avail Cashflow	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
Beginning Balance	1,000,000	999,000	998,000	997,000	996,000	995,000	994,000	993,000	992,000	991,000	990,000	989,000	968,752	944,079	918,462
Payments	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	20,248	24,673	25,617	26,540
Interest Earned	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Paid	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unpaid Accrued Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	20,248	24,673	25,617	26,540
Loan Payoff/Refinance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	999,000	998,000	997,000	996,000	995,000	994,000	993,000	992,000	991,000	990,000	989,000	968,752	944,079	918,462	891,922

County HOME															
Loan Amount	900,000														
Interest Rate	**1.50%**														
Term	50														
Monthly Payment	2,133														
Annual Debt Service	25,597														
0.0%of Avail Cashflow	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
0															
Beginning Balance	900,000	880,239	860,478	840,717	820,956	801,195	781,434	761,673	741,912	722,151	702,390	682,629	662,868	643,107	623,346
Payments	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261	33,261
Interest Earned	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Interest Paid	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500	13,500
Unpaid Accrued Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal	19,761	19,761	19,761	19,761	19,761	19,761	19,761	19,761	19,761	19,761	19,761	19,761	19,761	19,761	19,761
Loan Payoff/Refinance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	880,239	860,478	840,717	820,956	801,195	781,434	761,673	741,912	722,151	702,390	682,629	662,868	643,107	623,346	603,585

GP note															
Loan Amount	3,600,000														
Interest Rate	**3.00%**														
Term	55														
Monthly Payment															
Annual Debt Service															
57.1%of Avail Cashflow	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
Beginning Balance	3,600,000	3,654,000	3,708,810	3,764,442	3,820,909	3,878,222	3,936,396	3,995,442	4,055,373	4,116,204	4,177,947	4,240,616	4,304,225	4,368,789	4,434,321
Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Earned	54,000	54,810	55,632	56,467	57,314	58,173	59,046	59,932	60,831	61,743	62,669	63,609	64,563	65,532	66,515
Interest Paid	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unpaid Accrued Interest	54,000	108,810	164,442	220,909	278,222	336,396	395,442	455,373	516,204	577,947	640,616	704,225	768,789	834,321	900,835
Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Payoff/Refinance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	3,654,000	3,708,810	3,764,442	3,820,909	3,878,222	3,936,396	3,995,442	4,055,373	4,116,204	4,177,947	4,240,616	4,304,225	4,368,789	4,434,321	4,500,835

RDA															
Loan Amount	1,700,000														
Interest Rate	**1.50%**														
Term	50														
Monthly Payment	4,029														
Annual Debt Service	48,349														
63.0%of Avail Cashflow	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
Beginning Balance	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
Payments	0	0	0	0	0	0	0	0	0	0	0	32,722	40,243	41,849	43,419
Interest Earned	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500	25,500
Interest Paid	0	0	0	0	0	0	0	0	0	0	0	32,722	40,243	41,849	43,419
Unpaid Accrued Interest	25,500	51,000	76,500	102,000	127,500	153,000	178,500	204,000	229,500	255,000	280,500	273,278	258,535	242,186	224,267
Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Payoff/Refinance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000

County Trust funds															
Loan Amount	0														
Interest Rate	**1.50%**														
Term	**50**														
Monthly Payment	0														
Annual Debt Service	0														
0.0%of Avail Cashflow	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
Beginning Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Earned	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Paid	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unpaid Accrued Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Payoff/Refinance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Ground lease															
Loan Amount	2,940,000														
Interest Rate	**6.75%**														
Term	**99**														
Monthly Payment	16,559														
Annual Debt Service	198,704														
0.0%of Avail Cashflow	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**
Beginning Balance	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000
Payments	0	0	0	0	0	0	0	0	0	0	0	51,970	63,916	66,466	68,959
Interest Earned	198,450	198,450	198,450	198,450	198,450	198,450	198,450	198,450	198,450	198,450	198,450	198,450	198,450	198,450	198,450
Interest Paid	0	0	0	0	0	0	0	0	0	0	0	51,970	63,916	66,466	68,959
Unpaid Accrued Interest	198,450	396,900	595,350	793,800	992,250	1,190,700	1,389,150	1,587,600	1,786,050	1,984,500	2,182,950	2,329,430	2,463,964	2,595,948	2,725,439
Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Payoff/Refinance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000	2,940,000

Exhibit “C-1” to Loan Agreement

(Attach copy of Note)

Exhibit “C-2” to Loan Agreement

(Attach copy of Deed of Trust)

Exhibit "D" to Loan Agreement

(Affordable Housing Compliance Plan a/k/a Marketing Plan)

SUNSET GARDENS 9%
Marketing & Support Plan/Narrative
380 East Fort Union
Midvale, Utah 84047

Marketing Plan

The purpose of this plan is to establish marketing plan guidelines for the Sunset Gardens in accordance with requirements of Low-Income Tax Credits. Sunset Gardens is 89 one, two, three-bedroom units.

Advertising will indicate apartment address, rental information and phone number. Sunset Gardens will be presented on Housing Connect's website and will include property information, application and contact information.

Sunset Gardens will have an extensive marketing campaign to ensure high visibility. Below is an outline of the marketing activities.

Resident Selection

Twenty-four units will have project-based rental subsidies attached to them and will be initially filled with the current residents who reside at the property. These residents will be temporarily relocated to offsite properties many of which will be other Housing Connect affiliated properties. Once the original Sunset Garden residents chose to relocate back to the new 89 unit Sunset Garden's building, from that point going forward any vacant units will be filled from: 1) a waiting list maintained by Housing Connect and assisted by the property management staff in accordance to Section 42. 2) Property management will orchestrate vacancies in any of the 25 set aside units (Homeless, ADA, disability and domestic violence) with multiple service providers. Housing Connect maintains excellent relationships with many organizations who will supply referrals for set aside units.

Marketing Records

The lease-up campaign and on-going marketing will include a mix of on-site promotion (banners, flags, signage, general property branding), local/community outreach (flyers, signage, word-of-mouth, local business referral), a strong on-line/internet presence (Housing Connect website, KSL/Craigslist and other apartment listing sites, google analytics/tracking). To encourage local interest in the property management staff will reach out to local employers to seek referrals for individuals who desire to resident and work in the same community.

The Property Manager will keep records of all activities in implementing the affirmative marketing plan, including advertisements and community outreach efforts. Racial and ethnic characteristics and employment will be maintained at the property management office and will be updated annually. The Property Manager will maintain a comprehensive history of marketing efforts including shopping the competition on a monthly basis, monitoring and tracking advertising traffic leads and tenant characteristics.

Staff will apply the same screening criteria to all applicants. However, the staff is obligated to offer qualified applicants with disabilities additional consideration in the applicant rules and practices, services and structural modifications, if it will enable an otherwise eligible applicant with a disability an equal opportunity to access and enjoy the housing program. The Hub of Opportunity I & II, LLC is not, however, required to make a reasonable accommodation or physical modification if the accommodation or modification will cause a financial burden or if it requires The Hub of Opportunity I & II, LLC to alter or change a basic component of the housing program.

Reasonable accommodation for persons with disabilities will be provided at all stages of the application, interview, selection and residency process. Questions or requests for assistance regarding any aspect of the application process may be directed to the property manager or other staff supporting the property or lease up activities.

Subsidized units

Twenty-four units will receive project based vouchers. These units will be filled by individuals referred by Housing Connect from their site-based waiting list. In the event that Sunset Gardens does not receive referrals from Housing Connect within 30 days, the unit may be filled with an income eligible applicant.

Set Aside Units

Twenty-five units are set aside for the project. Five units are set aside for disability. Clients for these units will come from Utah Independent Living Center. Five units are set aside for domestic violence and will receive referrals from YMCA and South Valley Services among others. Five units are set aside for 25% AMI homeless and will receive referrals from many organizations including The Road Home. In the event no special needs clients are referred by Housing Connect or any service providers the property manager will fill the unit per LIHTC and Utah Housing Corporation compliance standards.

The service providers for the set aside units will continue indefinitely until either the entity is no longer a going concern business or the relationship is no longer beneficial to the property and or the clients being referred. In either event the property management would work with Housing Connect and utilize another service provider Housing Connect has a relationship. Property management will continue to work with each service provide once a referral client is housed at Sunset Gardens to ensure any issues from the referral are handled appropriately and in the most effective manner possible. The property will have an employee who is a service coordinator and will interact and assist with all service providers providing referrals for any of the set aside units.

Nondiscrimination and Accessibility

With respect to the treatment of applicants, the Property Management Staff will not discriminate against any individual or family because of race, color, national origin, religion, gender, disability, disability, familial status or presence of children in a household. Reasonable accommodations will be offered to all disabled persons who request accommodations due to disability at any time during the application, resident selection and rent up process.

Parking Stalls

171Parking Stalls will be available for use. All vehicles must be licensed, registered and in operable condition.

Rental Lease Up/Waiting List

Pre-leasing of Sunset Gardens is anticipated to begin first quarter of 2023 and a wait list will be established. The Property Management staff will market the property with Housing Connect's website, banners, flags, signage, and internet media. Marketing efforts will also include presenting flyers to property service provides, the local community holding open houses, and using other print media if necessary.

Applications will be accepted for the non-subsidized units at the Housing Authority of the County of Salt Lake (HACSL) offices and will meet directly with the Property Manager. When the property opens, this process will continue with the waiting list and the marketing of the property. The property management staff will assist potential residents with touring the site, reviewing the amenities and will receive a guest card to complete to assess their needs. Once there is an opening the potential resident will be called from the waitlist to complete an application packet.

Section 8 Units

Sunset Gardens will accept Tenant-Based Housing Choice Vouchers.

Income and Other Eligibility Requirements

Consistent screening of residents assures residents are able to afford the rent they are committing to by signing the lease. This also helps with assuring low delinquencies and unit turn over.

- Occupancy Limits (maximum allowed): 1 bedroom – 2 people; 2 bedroom – 4 people; 3 bedroom -6 people.
- Section 42 of the IRS Code requires third party, written verification of income must be obtained for anyone 18 years and older. The total household income must not exceed the Low Income Housing Tax Credit maximum allowable income for the household size.
- Accounts in collections and involuntary repossessions may be grounds for denial.
- Applicants who have been evicted in the last two years or those with outstanding balances to current or previous landlords will be denied.
- No felony history in the last three years will be accepted. Any applicant with a history of the following the last 12 months or a pattern of charges will be accepted: 1) Drug Possession 2) Methamphetamines possession charge 3) Prostitution 4) Burglary 5) Crimes against persons 6) Sex offenders

Incomplete or inaccurate information will be grounds for denial of the application or subsequent termination of residency.

Privacy Policy

It is the policy of Choice to guard the privacy of applicant conferred by the Federal Privacy Act of 1974 and to ensure the protection of such applicant's records maintained by Choice.

Therefore, neither Choice, nor its agents or employees shall disclose any personal information contained in the records to any person or agency unless the individual about whom information is requested shall give written consent to such disclosure.

Consistent with Section 504 of the Rehabilitation Act of 1973, any information obtained regarding a disability or disability status will be treated in a confidential manner.

HOUSING CONNECT

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Salt Lake City, UT 84115

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O: 801-284-4400
TDD: 801-284-4407
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Reasonable Accommodations:
801-284-4421

MEMORANDUM

TO:	Board of Commissioners
FROM:	Paul Rooker, HR Director
DATE:	January 19, 2021
SUBJECT:	Employee Training and Development

BOARD ACTION REQUESTED

Informational only

INFORMATION

Employee Training and Development

Housing Connect believes that ongoing training of staff is necessary to promote and support employee development and organizational effectiveness. As an agency, we focus on providing employees the opportunity to participate in high-quality educational training programs. These trainings are designed to meet individual, group or departmental, and agency needs and objectives. Due to the COVID-19 pandemic, training opportunities have been limited to those that are available online.

In August, 2020, Housing Connect renewed its contract with Nan McKay/HAI Group Online Training to provide online training to all agency employees. This online training continues to be a valuable resource to the agency during the pandemic, allowing employees to continue training remotely. During the past 6 months, employees have completed 166 course sections covering a wide variety of PHA, LIHTC, HCV, Maintenance, and Safety topics.

While the pandemic has resulted in the cancellation of in-person conferences and trainings, Housing Connect staff has been active in continuing participation in virtual conferences and trainings to further their professional development. During the period of June 5, 2020 through December 31, 2020, agency employees have participated in the following training and development:

June 16th – 24th: RAD Awardee Virtual Training – Lori Pacheco

June 23rd: NAHRO's Managing Difficult Communications Webinar – Mike Kienast

July 20th: Good Landlord Training - Todd Andrews

July 21st & 28th: VitalSmarts Crucial Conversations to Create and Sustain More Equitable Workplaces – Paul Rooker

July 23rd & 24th: NAHRO Online: 2020 Summer Conference – Phil Bernal

July 27th: Housing Quality Standards (HQS) Certification – Meridian Garcia

August 3rd – 6th: National Development Council's Rental Housing Development Finance – Mike Kienast

August 3rd – 6th: HCV Program Management webinar and certification exam – Ilez Brady

August 6th: Good Landlord Training – Jeanette Hernandez

August 10th – 14th: HCV Executive Management webinar and certification exam – Mike Kienast

August 11th: Corporation For Supportive Housing's Working with Supportive housing Tenants 101 for Front Desk and Maintenance Staff – Members of the Affordable Housing department

August 11th: HUD's Updates on Waiting List Management & Tenant Selection Plan – Mike Kienast

August 12th: Good Landlord Training – Errin Eskelson

August 13th: Corporation For Supportive Housing's Addressing Hoarding Behaviors in Housing – Members of the Affordable Housing and Public Housing department

August 25th: Fair Housing for Maintenance Staff – Maintenance employees in Affordable Housing and Public Housing

August 26th – September 3rd: NAHRO's Commissioners Fundamentals Training – Phil Bernal

September 1st – 3rd: Utah Housing Matters Conference – Janice Kimball, Zach Bale, Jeremy Runia, Jeanette Hernandez, Troy Hart, and Christine Nguyen

September 8th: NAHRO's webinar The Impact of the CDC Eviction Moratorium on PHA's – Janice Kimball

September 15th: Institute of Real Estate Management's Annual Economic Forecast webinar – Mike Kienast

September 22nd – 23rd: ClearCompany's 2020 Talent Success Conference – Paul Rooker

September 22nd – 24th: Utah Non-Profit Association Annual conference – Multiple Housing Connect staff

September 20th: HUD's Enterprise Income Validation System Training – Stephanie Earl

September 21st: Utah NAHRO virtual conference – Kristin Lindsey

September 21st: Utah Local Governments Trust webinar, Bias Awareness Training. – Paul Rooker

September 29th – US Housing Consultants' webinar, Preparing for HUD Management and Occupancy Reviews – Whitney Brickey and Nikki Gansauge

October 1st – 2nd: ChoicePoints Learning WOKE: Creating a New Normal on Race, One Conversation at a Time workshop – Members of Housing Connect management team

October 6th, 13th, & 20th: participated in Ballard Spahr's Annual National Housing Summit – Janice Kimball and Jeremy Runia

October 13th – 22nd: Nuts & Bolts of HUD Accounting, Budgeting & Reporting – Tom Biesinger

October 13th: NAHRO's webinar, What's new with the Proposed FSS Rule? – Cass Meyers and Kelsie Winegar

October 13th: Fair Housing Training provided by the Utah Disability Law Center – Staff members in the HCV and Supporting Housing

October 15th – 16th: 2020 Virtual Utah Homelessness Summit – Multiple Housing Connect staff

October 15th, November 12th & 17th: MRI Public Housing's trainings Navigating the Basics and New! The Secret to PIC Errors for Section 8 (HCV) – Ilez Brady

October 19th – 23rd: NAHRO's webinar, Procurement and Contracts Management Training – Emily Whittle

October 19th: HUD's Landlord Participation Webinar series on Technology – Juanita Huertero

October 27th: Emphasys' User Connect 2020 Virtual conference – Multiple Housing Connect staff

October 28th: Move To Work Funding Flexibilities, Funding Caclulation, and Statutory Requirements webinar – Lori Pacheco

November 12th: Utah Pest Management Association Fall Conference – Lee Wight

November 17th – 18th: NAHRO's online 2020 National Conference - Multiple Housing Connect staff

December 1st – 9th: NAHRO's webinar Commissioners Guide to Monitoring and Oversight – Christine Nguyen

December 2nd & 3rd: National Pest Management Association's Global Bedbug Summit – Lee Wight

December 10th: HUD's webinar Ready to Respond: Disaster Planning for Multifamily Affordable Housing Organizations – Lori Pacheco

December 20th: Compliance Prime's webinar HUD Waiting List Management & the Tenant Selection Plan – Kristin Lindsey

EXHIBIT "E"

Relocation Plan

TENANT RELCOATION PLAN FOR SUNSET GARDENS' NEW CONSTRUCTION PROJECT

Although the project is a new construction project (not rehab), there are residents currently living onsite and will require a relocation plan to accommodate during the construction and at completion of the new development.

The Department of Housing and Urban Development (HUD) has done an analysis and found its Public Housing program has a backlog over $30 billion in capital needs and growing annually. HUD realizes the inadequate funding provided by Congress puts the entire Public Housing portfolio at risk of permanent loss. To avoid this, UHD is encouraging Public Housing Authorities (PHA) to assess their portfolios, develop affordable housing strategies, and propose changes to their programs to reposition properties/ units to ensure sustainability and affordability in the future. Section 18 allows PHA's dispose and/or demolish public housing properties to reposition and recapitalize. Residents residing in units of Section 18 property are protected and will be provided with Tenant Protection Vouchers. The current residents will have first choice to move back into the new development. The Tenant Projection Vouchers can be converted into Project Based Vouchers. Housing Connect will provide Section 8 Project Based Vouchers from its current allotment of vouchers to replace any Tenant Protection Vouchers not converted to the project. As such the new development will have 24 Project Based Vouchers at construction completion/ lease up.

RELOCATION PLAN

HOUSING CONNECT

Sunset Gardens
Section 18 Disposition

Introduction: 4

A. **Regulatory Framework and Requirement Analysis**.....7
B. **Program Assurances and Standards**.....7
C. **Relocation Planning and Needs Assessment Methodology**.....8
D. **General Demographics and Occupant Data & Descriptions**.....9
E. **Relocation Assistance Eligibility**.....11
F. **Replacement Housing Needs & Resources**..... 11
G. **Concurrent Local Residential Relocation Plan**..... 12
H. **Lawful Presence in the United States**.....16
I. **Eviction Policy**.....16
J. **Appeals Policy**.....17
K. **Projected Relocation Schedule and Phasing Plan**.....17
L. **Estimated Relocation Costs**.....17

INDEX OF TABLES

Table 1: Population……..9
Table 2: Age……..9
Table 3: Race……..10
Table 4: Disabilities ……10
Table 5: Existing Units ……..10
Table 6: Replacement Housing Survey Results……..12

INTRODUCTION

Housing Connect owns and manages 24 Low-Income Public Housing (LIPH) units in Midvale, Utah. Housing Connect plans to utilize the US Department of Housing and Urban Development (HUD) Section 18 Disposition/Demolition process to remove all 24 units from HUD's LIPH program.

The planned disposition and demolition, conversion to Housing Choice Vouchers under Section 18, new construction of the site and the necessary relocation activities are collectively referred to as the Project throughout this Relocation Plan (Plan).

Overview of the Project Requiring Relocation of Persons at Sunset Gardens

Since 1970, Housing Connect has been providing and developing affordable housing for individuals and families throughout Salt Lake County.

Demolition of these 24 units will require the permanent relocation of all residents living at this site. At this time, 24 of the 24 units are occupied.

Households occupying units will receive a HCV, referrals to replacement rental housing using the HCV, other affordable properties, or market rate properties, a payment for moving expenses, and rental assistance if necessary.

The relocation requirements of Section 18 of the Housing Act of 1937 (42 U.S.C. 1437p) applies to this Project. Under this law, residents must be provided with advisory services, moving, and housing assistance to move to a comparable unit. HUD's implementing regulations for Section 18 are located at 24 CFR part 970. Section 18 does not trigger the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). However, Title 57 Chapter 12 of the Utah Code may be triggered by Housing Connects actions, which would require that they follow the URA in accordance with State law.

Project Location

Sunset Gardens is located at 380 East 7200 South in Midvale, Utah.

Proposed Project Funding Sources

Public funding sources anticipated in the Project include 1)Tenant Protection Vouchers, which Housing Connect will convert to HCVs, that Housing Connect expects to receive through the Section 18 conversion. Housing Connect anticipates funding relocation expenses from current resources while seeking other funding sources which may be identified later as the Project requirements necessitate.

Scope of this Plan

Public agency participation (local, state, and/or federal) and the sources of Project financing are critical in determining the rules and regulations to be followed in the relocation process and establishing the rights and assistance required to be provided to those persons impacted. The Project is subject Section 18 relocation requirements and potentially Utah state law.

This Plan describes the roles and responsibilities of Housing Connect. This Plan outlines the relocation rights and benefits that Housing Connect is obligated to provide to the households impacted by the Project. This Plan also describes the relocation process and mitigation measures required to ensure that residents impacted by the Project are provided the relocation assistance that reasonably meets their needs. This Plan is limited to this scope, which is consistent with relocation guidelines applicable to the Project.

Beyond being a legal requirement, a relocation plan is a communication and management tool for the stakeholders involved in the Project. Identified stakeholders include the affected households, Housing Connect, the municipality in which the 24 units are located, Housing Connects Public Housing Resident Advisory Board (RAB), community-based service organizations that may be providing services now or in the future to the residents, housing counseling organizations, and other interested parties.

This Plan is **ONLY** intended to address issues related to residential relocation and provide the stakeholders with the following information and guidance:

1. Description of the Project that is requiring the relocation of the Households, including its location, and financing;

2. Description and analysis of the laws, statutes and regulations governing the relocation of the Project occupants, including the requirements for a relocation plan;
3. Aggregate details regarding the persons impacted by the Project who may be permanently relocated;
4. Description of the re-housing plan including the replacement housing resources available to re-house the residents;
5. Relocation program to be provided, including the rights of the Households, required notifications, benefits, and other services they are eligible to receive, and criteria for eligibility for assistance;
6. Responsibilities of Housing Connect in the implementation of this Plan;
7. Process to develop, approve and update this Plan;
8. Process for any appeals of the relocation benefits and services provided;
9. Preliminary schedule of relocation activities and a cost estimate for relocation assistance.

Overview of Relocation Planning and Implementation

OPC, LLC (OPC), a public real estate services consulting firm specializing in relocation planning and implementation services, has been retained on behalf of Housing Connect. OPC will also provide technical consulting services to Housing Connect as the project moves forward with the relocation process.

Housing Connect has the responsibility to implement this Plan. It is planned that OPC or other qualified relocation consultant, (Relocation Consultant) will assist Housing Connect staff with implementation of this Plan. It is expected the Relocation Consultant will conduct all necessary household interviews, serve all required notices, and oversee all relocations.

RELOCATION PLAN

A. REGULATORY FRAMEWORK AND REQUIREMENT ANALYSIS

The laws, regulations and statutes may become applicable to the relocation of Sunset Gardens Households are listed below:

- 24 CFR Part 970 (Section 18 Requirements);

The Section 18 Requirements require the following services and benefits, which are explained in detail throughout this Plan:

1. Counseling including Mobility Counseling.
2. A 90-day Notice to Vacate.
3. Reimbursement of actual and reasonable moving expenses.
4. Comparable housing which maybe in the form of another LIPH unit, HCV, or project-based assistance.

Should the Utah Relocation Act be triggered, this Plan will be updated to include the assistance and benefits required under that law.

B. PROGRAM ASSURANCES AND STANDARDS

Adequate funds shall be made available for the relocation of all Households within the budget of the Project.

Relocation assistance services shall be provided to ensure that displacement does not result in different, or separate treatment of Households based on race, nationality, color, religion, national origin, sex, marital status, familial status, disability or any other basis protected by the federal Fair Housing Amendments Act, the Americans with Disabilities Act, Title VI of the Civil Rights Act of 1964, and Title VIII of the Civil Rights Act of 1968, as well as any otherwise arbitrary or unlawful discrimination.

Housing Connect is committed to ensuring that persons with all manner of disabilities, language requirements other than English, and other special needs have full access and participation in the relocation program including but not limited to community

meetings, individual meetings, written notification, relocation housing and moving assistance services.

All eligible Households shall be provided relocation assistance and benefits under the Section 18 Regulations, where applicable.

Any Household who disagrees with the determination of eligibility or ineligibility for relocation assistance, or the type and amount of relocation assistance that is being offered, is afforded the right to appeal the decision per the process identified in Section L and Appendix B of this Plan.

C. RELOCATION PLANNING AND NEEDS ASSESSMENT METHODOLOGY

Early Resident Outreach

A meeting with Housing Connects RAB was held on Sept 11, 2018. Large group resident meetings inviting all residents from Sunset Gardens were held in the morning and afternoon on August 3 and 6, 2018.

Resident Interview Process

An important process in relocation planning is collecting primary information from the impacted households. This will occur by conducting an interview with the household either in person or by phone. Through these meetings, more specific household composition information, special needs, and specific concerns regarding relocation are gained, which shall be used to better plan for the household's relocation needs on an individual basis.

Plan Preparation, Approval and Updates

This Plan should be periodically reviewed for consistency with the goals and process of the Project as changes occur. Updates should be made to this Plan should major substantive changes occur in the Project such as, but not limited to, enhanced levels of resident information, housing resource alternatives identification, elimination of a phased approach to the relocation, and/or regulatory changes that impact relocation requirements.

D. GENERAL DEMOGRAPHICS AND OCCUPANT DATA & DESCRIPTIONS

General Demographics and Housing Characteristics

According to the 2016 American Community Survey 5-Year Estimate, the population of the County of Salt Lake is about 1,092,518. Housing Connect serves the entire Salt Lake County area.

This same data set estimates the population of Salt Lake County to be 17.7% Hispanic or Latino. According to these estimates, 72.6% are White, Not Hispanic or Latino, 3.8% are Asian, 1.6% are Black or African American, and approximately 4.3% are classified as another race.

Sunset Gardens Household Demographic and Housing Characteristics

Table 1:
Population

Data Point	Number of or %
Number of Households	24
Estimated Number of Persons	76
Average # of Persons Per Household	3.17
% Female	59.21%
% Male	40.79%

Table 2:
Age Distribution of Residents

Age Cohorts (years)	Number of Residents	% of Residents
Under 18	34	44.74%
Over 62	2	2.63%

Table 3:
Race Distribution of Households

Race	Number of Households
Black/African American	3
Native American	0
Hispanic or Latino/a	5
Pacific Islander	0
Asian	2
White, Not Hispanic or Latino	14
Other Races	0

Table 4:
Disabilities and Other Medical Conditions

Percentage of Households with Disabled Member(s)	62.5%
Percentage of Households with no Disabled Member(s)	37.5%

Existing Low Income Public Housing Units

Table 5 below shows the current unit mix of the units that are planned to be converted to HCVs.

Table 5: Existing Units

Sunset Gardens Units	
BR Size	**# of Units**
2 BR	8
3 BR	16
Total	**24**

E. RELOCATION ASSISTANCE ELIGIBILITY

Relocation Assistance

Sunset Gardens households will receive a HCV, referrals to replacement rental housing using the HCV, other affordable properties, or market rate properties, a payment for moving expenses, and rental assistance if necessary.

Ineligibility for Relocation Assistance

Any household that has been evicted for cause, that voluntarily moves from the Project after receiving the General Information Notice (GIN), or is not in lawful occupation of its unit, shall not be eligible to receive relocation assistance. Any household not eligible for assistance will receive a Notice of Ineligibility and will receive no relocation assistance.

F. REPLACEMENT HOUSING NEEDS & RESOURCES

Replacement Housing Needs

Sunset Gardens currently has a total of 24 public housing units, 24 of which are currently occupied. Following the disposition, it is expected that all 24 units will undergo disposition/demolition activities. All 24 households will need to relocate.

Replacement Housing and Re-housing Plan

Households will be advised on the options that are available to them using a HCV or other affordable housing. Referrals to voucher-accepting units will be made by the Relocation Consultant and Housing Connect. Households requiring accessibility features will have such need factored into their personal housing search.

Housing Survey

Housing Connect conducted a preliminary housing survey of units accepting Section 8 throughout Salt Lake County. The following table provides the results of this survey.

The Relocation Consultant staff shall conduct more in-depth replacement housing searches based on residents' needs and requests prior to relocations as needed.

Table 6: Replacement Housing Survey Results

Unit Size	Rental Range	2020 Payment Standard
1	$814-$1,285	$1,101
2	$918-$1,590	$1,324
3	$1,273-$1,825	$1,534

G. CONCURRENT LOCAL RESIDENTIAL RELOCATION PLAN

There are no concurrent displacement activities underway or anticipated in the near future that would negatively impact the ability to permanently relocate.

H. RELOCATION ASSISTANCE PROGRAM

Relocation Staff Availability and Responsibilities

The Relocation Consultant staff will be available to assist any Household with questions about relocation and/or assistance in relocating. The Relocation Consultant staff shall provide all households with the location and hours of operation of the relocation office or contact information for their relocation agent. Close personal contact shall be maintained with each Household. Should the Relocation Consultant staff contact information change, this Plan shall be updated, and all households shall receive a notice of the applicable changes.

Specific activities performed by the Relocation Consultant staff are likely to include:

1. Distribute the General Information Notice.
2. Distribute the 90-Day Notice, and other reminder notices related to the vacate date of each Household.
3. Assist residents in obtaining credit repair and mortgage counseling services, and in applying to first-time homebuyer programs.
4. Provide referrals to replacement housing as needed.
5. Provide the Households with relocation counseling services to assist them in making good decisions to plan their move and understand the buying power of their HCV.
6. Coordinate moves to the replacement housing unit for each Household.
7. Assist with the completion and filing of any needed relocation claims, rental applications, and appeals forms, if necessary.
8. Provide other assistance that may be appropriate to ensure that each Household receives services and benefits that are reasonably permitted and/or required to ensure that hardships and impacts are reduced as much as possible in the relocation process.
9. Document receipt of all required notices, housing referrals provided, signed claims and receipts of payments, and demonstration of advisory services and relocation assistance provided to Households in the relocation file of each Household.

Noticing

Notices may be personally hand delivered and signed for by the tenant where needed or mailed with a certified return receipt. Any notice that cannot be personally served will be mailed certified return receipt. All notices and proof of service shall be maintained in the Relocation Consultant staff's relocation case files. At a minimum, each Household shall receive the following from the Relocation Consultant staff.

1. A General Information Notice (GIN).
2. A Memorandum of Understanding or Memorandum of Agreement (collectively, the MOU). The MOU shall serve as an agreement between the Household to define what benefits and assistance such Household shall receive and the obligations of Housing Connect, the Relocation Staff, and the Household.
3. A 90-Day Notice prior to the required vacation date. Such notice shall be mailed to each Household via certified mail/return receipt requested and first-class mail

with directions to contact the Relocation Consultant staff to review the notice as needed.

4. Additional notices as deemed necessary to properly communicate relocation program requirements to the household.

Notices shall be provided to the Household in the primary language of such Household. All notices shall inform the Household of their right to request a reasonable accommodation.

Relocation Housing

Households that choose or are required to permanently relocate will relocate to voucher-accepting housing using their HCV. Households will be provided with referrals to housing by the Relocation Consultant staff.

Permanent Replacement Housing Assistance Payment:

Under Section 18, households being required to permanently relocate typically receive a HCV or a Tenant Protection Voucher (TPV) to assist them in doing so. There is no requirement for any additional rent differential payments under this program. Housing Connect may provide additional assistance with security deposits, application fees, and rent increases that exceed the buying power of the HCV for a period not to exceed 42-months.

Moving Assistance

The Relocation Consultant staff shall meet with each Household to explain the moving assistance services that shall be made available to them. Based on the interview process, a moving contractor will be needed for many households.

Housing Connect expects to hire a moving contractor (or multiple contractors if needed) to provide moving services. Services shall include moving supplies, moving, loading, unloading, and full replacement value insurance necessary to move the personal property to the replacement housing unit and/or a designated storage space if necessary. Households that require assistance packing and un-packing as a reasonable accommodation will have those services provided by the mover.

Additional vendors may be needed for debris hauling services and other services that may be needed by senior and/or disabled Households. These needs shall be handled on a case by case basis. Such services are referred to as related services.

All moving and related services shall be directly paid for by Housing Connect.

Fixed Payment In-lieu of Actual and Reasonable Move Costs: Household shall have the option to receive a fixed move payment (the "FMP") based on the current number of rooms of personal property in their existing unit to conduct a self-move in lieu of having a professional mover relocate their personal property. The intent of the FMP is to provide funds to the Household to pay for all costs associated with the move consistent with the defensible guidance of the URA and the Utah Relocation Act.

A Household that elects to receive the FMP shall not receive moving compensation for costs such as labor, boxes and other packing materials, utility transfers, or other costs related to the physical move.

Utilities and Utility Transfer Fees

Any tenant who permanently relocates will be eligible for reimbursement of utility transfer fees unless they receive a fixed move payment in lieu of actual and reasonable moving expenses.

I. PAYMENT OF RELOCATION BENEFITS

Should there be any payment of relocation assistance payments payable directly to the Household, the payment shall be made expeditiously. In order to receive any applicable relocation payments, the Household must move and then rent and occupy a decent, safe and sanitary replacement housing within 12 months after they vacate their unit with Housing Connect. All Households eligible to receive a payment must submit claims and supporting documentation for relocation benefits to Housing Connect Staff no later than eighteen (18) months after the date they vacate the Project in order to remain eligible for payment.

The procedure for the preparation and filing of claims and the processing and delivery of payments shall be as follows:

1. Claimant(s) shall provide all necessary documentation to substantiate eligibility for assistance;
2. The Relocation Consultant Staff shall review all necessary documentation before reaching a determination as to which expenses are eligible for compensation;
3. Required claim forms shall be prepared by the Relocation Consultant Staff and be presented to the claimant for review and signature. Signed claims and supporting documentation shall be returned to the Relocation Consultant Staff for processing of payment;
4. The Relocation Consultant staff shall review and approve claims for payment or request additional information;
5. The Relocation Consultant staff shall issue benefit checks to claimants in the most secure, expeditious manner possible;
6. Receipts of payment and all claims materials shall be maintained in the relocation case file;
7. In cases where the displacee disputes the amount of payment they are awarded in the claim, they may make a written appeal in accordance with the appeals process defined in Section L of this plan. Further details regarding the appeals process and a sample appeals request form is provided in Appendix B of this Plan.

J. LAWFUL PRESCENCE IN THE UNITED STATES

All eligible Households shall receive relocation assistance. In cases where a Household includes persons not lawfully present in the United States, such Household will still receive relocation assistance under Section 18.

K. EVICTION POLICY

It is recognized that eviction is permissible only as a last resort and that relocation records must be documented to reflect the specific circumstances surrounding any eviction. Eviction shall only take place in cases of nonpayment of rent; a serious violation of the rental agreement; a dangerous or illegal act in the unit; violation of federal, state, or local laws; or, if the Household refuses all reasonable offers to move.

L. APPEALS POLICY

A displaced Household shall have the right to ask for review when there is a perceived grievance regarding any of such Household's rights to relocation and relocation assistance, including the determination as to eligibility, the amount of payment, or the failure to provide a comparable replacement housing referral. Appendix B provides a full description of the appeals process.

Should the appellant and /or Housing Connect not be able to resolve the appeal, the appellant may forward an appeal to the Board.

M. PROJECTED RELOCATION SCHEDULE AND PHASING PLAN

A preliminary schedule is provided below.

- Develop Section 18 Application – August to December 2020
- Develop Relocation Plan and Resident Interviews – May to July 2021
- HUD Review and Approval of Section 18 Application – December 2020 to March 2021
- Resident Mobility Counseling – March to June 2021
- Required Relocations – August 2021 to October 2021

N. ESTIMATED RELOCATION COSTS

The estimated relocation budget provided below is based on the best current available data related to the overall project schedule, potential number of relocations, and the estimated vendor costs as of August 28, 2020.

The budget is considered conservative at this time and should remain as such until certain factors are better understood and more easily controlled, including the number of permanent relocations that may require additional relocation payments.

The approval of this Plan does not constitute the approval of the relocation budget for the purposes of determining maximum levels of eligible compensation. Housing Connect cannot offer lesser relocation payments than those required by Section 18 in

order to conform to the parameters of the preliminary budget that is included in the approved relocation plan.

This is an important Section of this Plan to be monitored and periodically updated. A twenty percent (20%) contingency has been used to mitigate potential cost increases, including the provision of services not yet considered in this Plan, permanent relocations that require rent differential payments, moving cost increases based on formal bids and ultimate vendor contracts, and other unforeseen factors that could increase the cost of implementing this Plan. The complete estimate for all services plus contingency is $388,000. The estimate will be updated as the project moves forward.

LIST OF APPENDICES:

A. RELOCATION APPEAL/GRIEVANCE PROCEDURES..... 20

A. RELOCATION APPEAL / GRIEVANCE PROCEDURES

Purpose

The purpose of this procedure is to set forth the guidelines of Housing Connect for processing appeals to determinations as to relocation eligibility, the amount of a relocation payment, or the failure to provide comparable replacement housing referrals.

Right of Review

Any appellant, that is any person who believes him/herself aggrieved by a determination by Housing Connect as to eligibility, the amount of a relocation payment or failure to provide comparable replacement housing referrals, may, at his or her election, have his/her claim reviewed and reconsidered by Housing Connect in accordance with the procedures set forth herein, as supplemented by the procedures Housing Connect may establish for the conduct of hearings.

Notification to Appellant

If Housing Connect denies or refuses to consider a claim, Housing Connects notification to the appellant of its determination shall inform the appellant of its reasons, and the applicable procedures for obtaining review of the decision. If necessary, such notification shall be printed in a language other than English.

Stages of Review by the Authority

(a) **Request for Further Written Information**. An appellant may request Housing Connect to provide him or her with a full written explanation of its determination and the basis therefore, if he/she feels that the explanation of Housing Connects determination accompanying the payment of the claim or notice was incorrect or inadequate. Housing Connect shall provide such an explanation to the appellant within three (3) weeks of its receipt of his or her request.

(b) **Informal Oral Presentation**. An appellant may request an informal oral presentation before seeking formal review and reconsideration. A request for an informal oral presentation shall be filed with Housing Connect within the period described in subsection (d) of this section. Housing Connect shall afford the appellant the opportunity to make such presentation before a management-level Housing Connect staff person designated by the Executive Director and who has not previously participated in the relocation decision. The appellant may be represented by an attorney or other person of his/her choosing at his/her expense.

This oral presentation shall enable the appellant to discuss the claim with the designated Housing Connect staff person. The designated Housing Connect staff person shall make a summary of the matters discussed in the oral presentation to be included as part of Housing Connects file on the appellants relocation. The right to formal review and reconsideration shall not be conditioned upon requesting an oral presentation.

(c) **Written Request for Review and Reconsideration**. At any time within the period described in subsection (d) below, an appellant may file a written request with Housing Connect for formal review and reconsideration. The appellant may include in the request for review any statement of fact within the appellant's knowledge or belief or other material that may have a bearing on the appeal. If the appellant requests more time to gather and prepare additional material for consideration or review and demonstrates a reasonable basis therefore, Housing Connect may grant the appellants request by granting the appellant a definite period of time to gather and prepare materials.

(d) **Time Limit for Requesting Review**. An appellant desiring either an informal oral presentation or seeking formal review and reconsideration, shall make a request to Housing Connect within eighteen (18) months following the date he/she moves from the property.

Formal Review and Reconsideration by HACSL

(a) **General**. Housing Connect shall consider the request for formal review and shall decide whether a modification of its initial determination is necessary. This formal review shall be conducted by an independent arbitrator (the "Arbitrator").

The Arbitrator shall consider the appeal regardless of form, and Housing Connect staff shall, if necessary, provide assistance to the claimant in preparing the written claim. When a claimant seeks review, Housing Connect staff shall inform him/her that he/she has the right to be represented by an attorney at the claimant's expense, to present his/her case by oral or documentary evidence, to submit rebuttal evidence, to conduct such cross-examination as may be required for a full and true disclosure of facts, and to seek judicial review once he/she has exhausted the administrative appeal.

(b) **Scope of Review**. The Arbitrator shall review and reconsider the initial determination of the claimant's case in light of: (1) all material upon which Housing Connect based its original determination, including all applicable rules and regulations, except that no evidence shall be relied upon where a claimant has been improperly denied an opportunity to controvert the evidence or cross-examine the witness(es); (2) the reasons given by the claimant for requesting review and reconsideration of the claim; (3) any additional written or relevant documentary material submitted by the claimant; (4) any further information which the Arbitrator, in its discretion, obtains by request, investigation, or research, to ensure fair and full review of the claim.

(c) **Determination on Review**. The determination on review by the Arbitrator shall include, but is not limited to: (1) the Arbitrator's decision on reconsideration of the claim; (2) the factual and legal basis upon which the decision rests, including any pertinent explanation or rationale; and (3) a statement to the claimant that administrative remedies have been exhausted and judicial review may be sought. The determination shall be in writing with a copy provided to the claimant. The Arbitrator's decision shall be binding on Housing Connect.

(d) **Time Limits**. Housing Connect shall issue its determination on review as soon as possible but no later than six weeks from the date of the hearing. In the case of appeals dismissed for un-timeliness or for any other reason not based on the merits of the claim, Housing Connect shall furnish a written statement to the claimant stating the reason for the dismissal of the claim as soon as possible but not later than two weeks from receipt of the last material submitted by the claimant, or the date of the hearing, whichever is later.

Refusals to Waive Time Limitation

Whenever Housing Connect rejects a request by a claimant for a waiver of the time limits, the claimant may file a written request for reconsideration of this decision, except that such written request for reconsideration shall be filed within ninety (90) calendar days of the claimant's receipt of Housing Connects determination.

Extension of Time Limits

The time limits specified may be extended for good cause by Housing Connect.

Recommendations by Third Party

Upon agreement between the claimant and Housing Connect, a mutually acceptable third party or parties may review the claim and make advisory recommendations thereon to Housing Connect for its final determination. In reviewing the claim and making recommendations to Housing Connect, the third party or parties shall be guided by the provisions of this Appeals/Grievance Procedure.

Review of Files by Claimant

Except to the extent the confidentiality of material is protected by law or its disclosure is prohibited by law, Housing Connect shall permit the claimant to inspect all files and records bearing upon his or her claim or the prosecution of the appellant's grievance.

If an appellant is improperly denied access to any relevant material bearing on his or her claim, such material may not be relied upon in reviewing the initial determination.

Effect of Determination on Other Persons

The principles established in all determinations by Housing Connect shall be considered as precedent for all eligible persons in similar situations regardless of

whether or not a person has filed a written request for review. All written determinations shall be kept on file and available for public review.

Right to Counsel

Any aggrieved party has a right to representation by legal or other counsel at his or her expense at any and all stages of the proceedings set forth in this procedure.

Stay of Displacement Pending Review

If an appellant seeks to prevent displacement, Housing Connect shall not require the appellant to move until at least twenty (20) calendar days after Housing Connect has made a determination and the appellant has had an opportunity to seek judicial review. In all cases Housing Connect shall notify the appellant in writing, twenty (20) calendar days prior to the proposed new date of displacement.

Joint Appellants

Where more than one person believes themselves aggrieved by the failure of Housing Connect to refer them to comparable permanent replacement housing, the appellants may join in filing a single written request for review. A determination shall be made by Housing Connect for each of the appellants.

Judicial Review

Nothing in this Appeals/Grievance Procedure shall in any way preclude, or limit a claimant or Housing Connect from seeking judicial review of a claim upon exhaustion of such administrative remedies as are available herein.

RELOCATION ASSISTANCE APPEAL FORM

INSTRUCTIONS: This is an appeal of a determination made by the Displacing Agency under Section 18 of the United States Housing Act of 1937 (42 U.S.C. 1437p). Complete this document, explaining the nature of your complaint and reasons for this appeal below. Attach extra pages if needed. You will be notified of the date when your complaint will be considered.

Claimant:		**Agency:**	
Site Address:		**Project:**	
Mailing Address:		**Consultant:**	
Phone number:		**Case ID:**	

Claimant Type: Residential Tenant	**This appeal is based on:** [ ] Eligibility only [ ] Amount of Payment only [ ] Eligibility amount
Appeal Type: [ ] Request for Further Written Information [ ] Informal Oral Presentation [ ] Formal Review and reconsideration	
Will you be present at the hearing?: [ ] Yes [ ] No	**Will you be represented by counsel?:** [ ] Yes [ ] No

. . . . continued next page.

Claimant's Statement:

I certify that the information provided on this form is accurate and complete.

Claimant Signature **Date**

EXHIBIT "F"

Housing Connect Memorandum

Housing Connect Memorandum

To: Janice Kimball

From: Jeanette Hernandez

Date: 12 May 2022

Subject: Sunset Gardens Selection Criteria

Action Requested:
Review

Key Points:
Income and Eligibility Requirements for Sunset Gardens

Consistent screening of residents assures residents are able to afford the rent they are committing to by signing the lease. Pre-Qualifying will be done and only on applications of those individuals who have been determined income and household composition eligible. Tenants moving into the special set aside units will also need to meet with services staff in order to verify that they meet service criteria. Applicants will be asked to sign forms or gather information in order to verify information that was provided on the application, i.e. income, identification, etc.

Choice will complete third-party verifications for certifications and verify the applicant meets income guidelines. Choice will use the following screening criteria when determining each applicant's eligibility for residency at Sunset Gardens.

- Occupancy Limits (maximum allowed): 1 bedroom – 2 people; 2 bedroom – 4 people; 3 bedroom -6 people.
- Section 42 of the IRS Code requires third party, written verification of income must be obtained for anyone 18 years and older. The total household income must not exceed the Low Income Housing Tax Credit maximum allowable income for the household size.
- Accounts in collections and involuntary repossessions may be grounds for denial.
- Applicants who have been evicted in the last two years or those with outstanding balances to current or previous landlords will be denied.
- No felony history in the last three years will be accepted. cannot have a conviction for manufacturing methamphetamine in a federally assisted unit or be subject to a state sex offender lifetime registration requirement Any applicant with a history of the following the last 12 months or a pattern of charges will not be accepted: 1) Drug Possession 2) Methamphetamines possession charge 3) Prostitution 4) Burglary 5) Crimes against persons 6) Sex offenders

- Applicant must be income eligible as per the regulations of the Low Income Tax Credits. Applicants must make at least two times the rental income.

- Applicant's household must meet the occupancy standards of two people per bedroom.
- Applicant must have legal, current state or federal photo ID (Driver's License, Utah State ID, and passport).
- Applicant must have proof of a valid social security number.
- All income and assets will be verified by staff via third-party confirmation (i.e. verification form completed by employer, bank statements, etc.).
- The tenant must intend to use the unit as his or her principal place of residence.
- Applicant's ability to live independently with or without assistance and to maintain housing in accordance with local health standards.

All information provided on the application will be verified. False, inaccurate or incomplete information may disqualify you. Incomplete or inaccurate information will be grounds for denial of the application or subsequent termination of residency.

Units and Income Limits

Sunset Gardens is 89 one, two, three-bedroom units.

Twenty-five units are set aside for the project. Five units are set aside for disability. Five units are set aside for 25% AMI homeless and will receive referrals from many organizations. Ten units will be fully ADA compliant. Twenty-four units will receive project based vouchers. After initial occupancy, these units, when they become vacant, will be filled by individuals referred by Housing Connect from their site-based waiting list. In the event that Sunset Gardens does not receive referrals from Housing Connect within 30 days, the unit may be filled with an income eligible applicant. All other units will be filled with those applicants meeting the regulations of the Low Income Tax Credits. See Income limits below:

LIHTC INCOME LIMITS BASED ON 2022 MT SP INCOME LIMITS

	60.00%	50.00%	41.00%	45.00%	25.00%	30.00%
1 Person	43,020	35,850	29,397	32,265	17,925	21,510
2 Person	49,200	41,000	33,620	36,900	20,500	24,600
3 Person	55,320	46,100	37,802	41,490	23,050	27,660
4 Person	61,440	51,200	41,984	46,080	25,600	30,720
5 Person	66,360	55,300	45,346	49,770	27,650	33,180
6 Person	71,280	59,400	48,708	53,460	29,700	35,640

Nondiscrimination and Accessibility

With respect to the treatment of applicants, the Property Management Staff will not discriminate against any individual or family because of race, color, national origin, religion, gender, disability, disability, familial status or presence of children in a household. Reasonable accommodations will be offered to all disabled persons who request accommodations due to disability at any time during the application, resident selection and rent up process.

Secured Promissory Note

$1,700,000.00 September__, 2022

1. **Promise to Pay**. **FOR VALUE RECEIVED**, the undersigned, **SUNSET GARDENS, LLC**, a Utah limited liability company whose address is 3595 South Main Street, Salt Lake City, UT 84115 ("*Borrower*") promise(s) to pay to the order of the **REDEVELOPMENT AGENCY OF MIDVALE CITY**, a governmental entity organized under the laws of the state of Utah, or any successor holder hereof ("*Lender*"), at 7505 South Holden Street, Midvale, UT 84047, or at such other place as Lender may designate in writing, the principal sum of One Million Seven Hundred Thousand and 00/100ths Dollars ($1,700,000.00), with interest on the unpaid balance hereof at the non-default rate of one and one-half percent (1.5%) per annum.

All references in this Promissory Note (this "*Note*") to a "day" or a "date" shall be to a calendar day unless specifically referenced as a Business Day (as defined below). All sums owing hereunder are payable in lawful money of the United States of America, in immediately available funds, without offset, deduction or counterclaim of any kind.

2. **Defined Terms**. Various terms not otherwise defined herein are defined and described as follows or, failing that, as defined and described in the Loan Agreement:

"**Business Day**" means any day, except a Saturday, Sunday or any other day on which commercial banks in Salt Lake City, Utah are authorized or required by law to close.

"**Loan**" means the loan in the amount of $1,700,000.00 evidenced by this Note.

"**Loan Agreement**" is that certain "Loan Agreement" of essentially even date herewith between Borrower and Lender, as the same may be amended, modified, supplemented or replaced from time to time.

"**Loan Documents**" are the documents defined as such in the Loan Agreement.

"**Operating Agreement**" means the Amended and Restated Operating Agreement of Borrower between Sunset Gardens Management, LLC, a Utah limited liability company, and USA Institutional Sunset Gardens LLC, a Delaware limited liability company, dated as of September 1, 2022.

"**Senior Loans**" means all funding sources, other than the Loan, for Borrower's acquisition of the Real Property, any necessary demolition of current improvements thereon, and construction of Developer's Improvements that are the basis for the Loan and the Senior Funding, as defined and described in the Loan Agreement. The Senior Loans include (a) a first-priority deed of trust and associated documents securing a construction loan of up to $12,998,896 to Borrower by Zions Bank (the "*Construction Loan*"); (b) a deed of trust securing a loan to Borrower by Rocky Mountain Community Reinvestment Corporation to fully satisfy and supersede the Construction Loan following completion of construction of the Project (the "*RMCRC Loan*"*);* (c) a deed of trust securing a $1,000,000 loan to Borrower by the Olene Walker Housing Loan Fund, HOME (the "*Olene Walker-Home Loan*"); (d) a deed of trust securing a $900,000 loan to Borrower by Salt Lake County if that loan occurs (the "*SL County Loan*"); and (e) a $1,000,000 loan to Borrower by the Olene Walker Housing Loan Fund, NHTF (the "*Olene Walker-NHTF Loan*").

3. **Payment**. Payments under this Note shall be made as follows:

(a) Borrower shall make 50 consecutive payments on the Note in an amount equal to 62.96% of Surplus Cash since the date of this Note (as to the first such payment) or the date of the immediately prior such payment (as to each succeeding payment), as applicable, commencing on April 30, 2024 and continuing on each April 30th thereafter until the Maturity Date specified below, with the 37.04% balance of Surplus Cash comprising all monies paid or payable by Borrower under the Olene Walker-NHTF Loan during the pertinent time period. The term "*Surplus Cash*" shall mean the difference between cash derived from all Operating Sources since the last annual payment and the sum of (i) all sums due or currently required to be paid under the terms of the Construction Loan, the RMCRC Loan, the Olene Walker-Home Loan and the SL County Loan, (ii) any amounts required to be deposited in the reserve for replacements in accordance with the Senior Loans, and (iii) obligations of the Borrower, including normal operating expenses and escrow deposits for taxes and insurance, and those items required to be paid pursuant to Section 11.01(a)(i) through (viii) of the Operating Agreement, which provide as follows:

> *a. Except as provided below in this Section 11.01, all profits, losses and credits, except those gains and losses referred to in Sections 11.03, 11.06, and 11.10, shall be allocated among the Members in accordance with their Percentage Interests as set forth in Section 5.01. All Net Cash Flow available for distribution shall be paid as follows:*
>
> *i. Payment to the Investor Member of any credit adjuster pursuant to Section 5.01(e)(ix) of this Agreement, plus an amount equal to any Capital Contributions made to the Company by the Managing Member pursuant to the last sentence of Section 5.01(a);*
>
> *ii. Payment of an amount equal to $3,000 per year to the Investor Member; in the event there are insufficient amounts to pay this in any given year, such amounts shall not accrue;*
>
> *iii. Payment of a company administration fee to the Managing Member in the amount of $20,000 increasing by 3% per year, amounts to accrue;*
>
> *iv. Payment of a Resident Services Fee to the Managing Member in the amount of $26,850 increasing by 3% per year, amounts to accrue;*
>
> *v. Payment to the Developer of any accrued and unpaid Development Fee as set forth in Section 8.10;*
>
> *vi. Replenishment of the Operating Reserve to the Original Amount as set forth in Section 8.20;*
>
> *vii. Repayment of any Operating Deficit Loans;*
>
> *viii. 50% of the remaining balance to payment of the Ground Lease;*

"*Operating Sources*" shall include (A) all rental income, late fees and other miscellaneous charges to lessees authorized by the corporate documents and policies of Borrower, (B) interest on deposited funds, and (C) net proceeds from the sale of any of the Project sold by Borrower unless the use of the Project for income-restricted housing purposes is unchanged by Borrower's successor.

(b) Payments will be applied (i) first to any costs, expenses, interest and principal incurred as part of the Loan or incurred by Lender in collecting the amounts owing pursuant to this Note; (ii) then to payment of interest under this Note; and (iii) then to reduction of the principal amount of this Note. All payments shall be made to Lender at its above-specified address until Borrower's receipt of notice from Lender to the contrary. If not sooner paid, all outstanding principal, interest and other amounts due under the Note shall be paid no later than the Maturity Date specified below.

3. **Maturity Date**. The outstanding principal balance of this Note, together with all accrued and unpaid interest, shall be due and payable in full on April 30, 2073 (the "*Maturity Date*"), or such earlier date as may be applicable under this Note or the Trust Deed following Borrower's default. Principal amounts outstanding hereunder, upon which repayment obligations exist and interest accrues, shall be determined by the records of Lender, which shall be deemed to be conclusive

in the absence of clear and convincing evidence to the contrary presented by Borrower.

4. **Secured Note**. This Note is secured by, among other things, that certain Leasehold Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith, executed by Borrower, as Trustor, to Secured Land Title, as Trustee, for the benefit of Lender, as Beneficiary, as the same may be amended, modified, supplemented or replaced from time to time (the "*Security Instrument*"), and the other Loan Documents. The lien created by the Security Instrument to secure repayment of this Note is subordinate to the liens securing repayment of the Senior Loans.

5. **Prepayment.** Borrower may prepay this Note, whether voluntary, mandatory, upon acceleration or otherwise, in its entirety, or in part, upon payment to Lender of all other amounts otherwise due and owing under the Loan Documents.

6. **Default**. Borrower shall be in default hereunder upon the occurrence of either of the following events:

(a) *Delinquent Payment*. Any payment required under this Note is not made within ten (10) days after its due date; or

(b) *Default in Other Obligations*. Upon the occurrence of any other Event of Default (as defined in any one or more of the Security Instrument, Loan Agreement, any other Loan Document, or any obligation secured by any of the foregoing), including, without limitation, failure to continuously use the Project in full compliance with the Affordability Restrictions (as defined in the Loan Agreement). Lender shall provide at least thirty (30) days' written notice and opportunity to cure to Borrower concerning any such non-monetary default, and Borrower's 30-days cure period shall be reasonably extended to allow such cure to occur so long as Borrower commences the cure within those 30 days and thereafter diligently prosecuted it to completion.

If default does so occur then (y) interest shall accrue hereunder at the default rate of one and one-half percent (1.5%) per annum until the default is fully cured, and (z) Lender, at Lender's option and upon giving written notice to Borrower, may declare the entire unpaid principal balance hereunder, together with all accrued interest thereon, immediately due and payable and thereafter pursue any and all remedies that are available at law or in equity, including without limitation all remedies (including foreclosure) that are available under the Security Instrument. Borrower shall pay all costs and expenses that are incurred by Lender (including, but not limited to, reasonable attorneys' fees) to collect such past-due amounts, whether such costs and expenses are incurred with or without suit, before or after judgment, at trial, on appeal or in connection with any bankruptcy case or insolvency proceeding.

6. **Miscellaneous**.

(a) *Notices*. All notices or other communications required or permitted to be given pursuant to this Note shall be given to the parties at the address and in the manner provided for in the Loan Agreement, except as otherwise provided herein.

(b) *Waiver of Right to Trial by Jury*. **TO THE EXTENT PERMITTED BY APPLICABLE STATE LAW, EACH PARTY TO THIS NOTE HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR**

CAUSE OF ACTION (a) ARISING UNDER THE LOAN DOCUMENTS, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE MODIFICATION THEREOF OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THE LOAN DOCUMENTS (AS NOW OR HEREAFTER MODIFIED) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY PARTY TO THIS NOTE MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

(c) **Time**. Time is the essence of this Note and each and every term herein.

(d) **Governing Law and Consent to Jurisdiction**. This Note and any claim, controversy or dispute arising under or related to this Note, the relationship of the parties, and/or the interpretation and enforcement of the rights and duties of the parties will be governed by, and construed and enforced in accordance with, the laws of Utah without regard to any conflicts of law principles, except to the extent preempted by federal laws. Borrower and all persons and entities in any manner obligated to Lender under the Loan Documents consent to the jurisdiction of any federal or state court within Utah having proper venue and also consent to service of process by any means authorized by Utah or federal law.

(e) **Commercial Use; Maximum Rate Permitted by Law**. Borrower hereby represents that the Loan is for commercial use and not for personal, family or household purposes. It is the specific intent of Borrower and Lender that this Note bear a lawful rate of interest, and if any court of competent jurisdiction should determine that the rate herein provided for exceeds that which is statutorily permitted for the type of transaction evidenced hereby, the interest rate shall be reduced to the highest rate permitted by applicable law, with any excess interest heretofore collected being applied against principal or, if such principal has been fully repaid, returned to Borrower on demand.

(f) **Joint and Several Liability**. If this Note is executed by more than one person or entity as Borrower, the obligations of each such person or entity shall be joint and several. No person or entity shall be a mere accommodation maker, but each shall be primarily and directly liable hereunder.

(g) **Defined Terms**. Unless otherwise defined herein, capitalized terms used in this Note shall have the meanings attributed to such terms in the Loan Agreement.

(h) **Use of Singular and Plural; Gender**. When the identity of the parties or other circumstances make it appropriate, the singular number includes the plural, and the masculine gender includes the feminine and/or neuter.

(i) **Exhibits, Schedules and Riders**. All exhibits, schedules, riders and other items attached hereto are incorporated into this Note by such attachment for all purposes.

(j) **No Oral Agreements**. Pursuant to UTAH CODE ANN. 25-5-4, Borrower is notified and acknowledges that the written Loan Documents, including this Note, represent the final agreement between the parties concerning the Loan evidenced by this Note and may not be contradicted by evidence of any alleged prior, contemporaneous or subsequent oral agreement(s) of the parties. There are no unwritten agreements between the parties concerning the Loan.

(k) **Assumability of Note**. Borrower's obligations under this Note shall not be assumable by any person or entity without Lender's prior written consent. Notwithstanding any such assumption, however, the original Borrower shall remain fully liable to Lender for the performance of all of Borrower's obligations under this Note.

(l) **Waiver**. Lender may accept late payments or partial payments under this Note and may delay enforcing any of Lender's rights hereunder without losing or waiving any of Lender's rights under this Note.

(m) **Liability of Parties Under Note**. The makers, sureties, guarantors and endorsers hereof, jointly and severally: (i) waive presentment for payment, protest, demand and notice of dishonor and nonpayment of this Note and all other requirements necessary to hold them liable hereunder; and (ii) consent to any and all extensions of time, renewals, waivers or modifications that may be granted by Lender with respect to the payment or other provisions of this Note. Lender's enforcement of any security for the payment of this Note shall not constitute an election by Lender of remedies so as to preclude Lender's exercise of any other remedy available to Lender.

[*Signature page follows*]

IN WITNESS WHEREOF, Borrower has executed this Note as of the date appearing on the first page of this Note.

BORROWER:

SUNSET GARDENS, LLC

By: Sunset Gardens Management, LLC, a Utah limited liability company, its manager

By: Housing Opportunities Inc., a Utah non-profit corporation, its manager

By: _____
Janice Kimball, Executive Director

AFTER RECORDING MAIL TO:

REDEVELOPMENT AGENCY OF MIDVALE CITY
7505 South Holden Street
Midvale, UT 84047

Tax Parcel No.: 22-30-251-136-0000

Leasehold Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing

NAME AND ADDRESS OF BORROWER/TRUSTOR:	**SUNSET GARDENS, LLC** 3595 South Main Street Salt Lake City, UT 84115
NAME AND ADDRESS OF LENDER/BENEFICIARY:	**REDEVELOPMENT AGENCY OF MIDVALE CITY** 7505 South Holden Street Midvale, UT 84047
NAME AND ADDRESS OF TRUSTEE:	**SECURED LAND TITLE** 7090 Union Park Avenue, Ste. 425 Midvale, UT 84047
PROPERTY ADDRESS/PARCEL I.D. NO.	380 East Fort Union Blvd. Midvale, UT 84047 Parcel No. 22-30-251-136-0000 Legal description on the Exhibit of this document.

THIS SECURITY INSTRUMENT COVERS GOODS THAT ARE OR WILL BECOME FIXTURES ON THE DESCRIBED REAL PROPERTY AND SHOULD BE FILED FOR RECORD IN THE REAL PROPERTY RECORDS WHERE MORTGAGES AND DEEDS OF TRUST ON REAL ESTATE ARE RECORDED. THIS SECURITY INSTRUMENT SHOULD ALSO BE INDEXED AS A UNIFORM COMMERCIAL CODE FINANCING STATEMENT COVERING GOODS THAT ARE OR WILL BECOME FIXTURES ON THE DESCRIBED REAL PROPERTY, THE MAILING ADDRESSES OF THE SECURED PARTY AND THE DEBTOR ARE WITHIN.

THIS SECURITY INSTRUMENT SECURES ANY FUTURE ADVANCES.

Leasehold Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing

THIS LEASEHOLD DEED OF TRUST WITH ABSOLUTE ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "*Security Instrument*"), made as of September 2022, is granted by **SUNSET GARDENS, LLC**, a Utah limited liability company whose address is 3595 South Main Street, Salt Lake City, UT 84115 ("*Trustor*"), as trustor, to **SECURED LAND TITLE**, a title insurance company qualified to act as trustee whose address is 7090 Union Park Avenue, Ste. 425, Midvale, UT 84047 ("*Trustee*"), as trustee, for the benefit of the **REDEVELOPMENT AGENCY OF MIDVALE CITY**, 7505 South Holden Street, Midvale, UT 84047 (collectively with its successors or assigns, "*Beneficiary*" or "*Lender*"), as beneficiary. Lender and Trustee are the grantees hereunder for indexing purposes.

ARTICLE 1. GRANT IN TRUST

1.1 **Grant**. For the purposes of and upon the terms and conditions in this Security Instrument, Trustor irrevocably does hereby grant, bargain, warrant, convey, sell, mortgage, transfer, set over, pledge, hypothecate, and assign to Trustee, in trust for the benefit of Lender, its successors and assigns, with power of sale and right of entry and possession, Trustor's leasehold interest in all of that real property located in Midvale City, Salt Lake County, Utah, described on the Exhibit attached hereto and made a part hereof, pursuant to that certain Ground Lease dated as of or about the date of this Security Instrument ("*Ground Lease*"), between Trustor, as lessee, and Housing Authority of the County of Salt Lake, dba Housing Connect, as lessor ("*Ground Lessor*"), together with the Collateral (as defined herein); all buildings and other improvements, fixtures, equipment, apparatus and appliances now or hereafter located on the real property, it being intended by the parties that all such items shall be conclusively considered to be a part of the real property, whether or not attached or affixed to the real property ("*Improvements*"); all right, title, interest, and privileges of Trustor now owned or hereafter acquired in and to all streets, ways, roads, and alleys used in connection with or pertaining to such real property; all development rights or credits, licenses and permits, air rights, water, water rights and water stock related to the real property; all minerals, oil and gas, and other hydrocarbon substances in, on or under the real property; all appurtenances, easements, estates, tenements, hereditaments, privileges, rights and rights of way appurtenant or related thereto, including all rights under any declarations of easements, covenants, conditions, and/or restrictions pertaining to the real property, provided, however, that Lender shall have no liability under such rights unless and until Lender forecloses on the real property; all interest or estate which Trustor may hereafter acquire in the property described above; and all additions and accretions thereto, and the proceeds of any of the foregoing (all of the foregoing being collectively referred to as the "*Property*"). The foregoing listing of specific rights or property shall not be interpreted as a limit of general terms.

1.2 **Address**. The address of the Property is 380 East Fort Union Blvd., Midvale, UT 84047. However, neither the failure to designate an address nor any inaccuracy in the address designated shall affect the validity or priority of the lien of this Security Instrument on the Property as described on the attached Exhibit.

1.3 **Warranty of Title, Use of Property**. Trustor represents and warrants that Trustor lawfully holds and possesses fee simple title absolute to the Property without limitation on the right to convey and encumber, and that this Security Instrument is at least a valid lien on the Property subject only to the following senior financial liens: (a) a deed of trust securing a construction loan of

up to $12,998,896 to Borrower by Zions Bank (the "*Construction Loan*"); (b) a deed of trust securing a loan to Borrower by Rocky Mountain Community Reinvestment Corporation to fully satisfy and supersede the Construction Loan following completion of construction of the Improvements; (c) a deed of trust securing a $1,000,000 loan to Borrower by the Olene Walker Housing Loan Fund, HOME; (d) a deed of trust securing a loan of approximately $900,000 to Borrower by Salt Lake County if that loan occurs; and (e) a $1,000,000 loan to Borrower by the Olene Walker Housing Loan Fund, NHTF (collectively, the "*Senior Liens*"). Trustor further warrants that the Property is not used principally for agricultural or farming purposes, and that the Property is not homestead, that all of the Property consists of one lot which is a single tax parcel, and that there are no properties included in such tax parcel other than the Property. Trustor further covenants and agrees that it shall not cause all or any portion of the Property to be re-platted or for any lots or boundary lines to be adjusted, changed or altered for either ad valorem tax purposes or otherwise, and shall not consent to the assessment of the Property in more than one tax parcel or in conjunction with any property other than the Property.

1.3 **Use of Proceeds**. Trustor represents and warrants to Lender that the proceeds of the obligations secured hereby (the "*Loan*") shall be used solely for business purposes and in furtherance of the regular business affairs of Trustor, and the entire principal obligations secured by this Security Instrument constitute a business loan.

ARTICLE 2. OBLIGATIONS SECURED

2.1 **Obligations Secured**. Trustor makes this Security Instrument for the purpose of securing the payment and performance of the following obligations (collectively "*Secured Obligations*"):

(a) Payment to Lender of all sums at any time owing with interest thereon, according to the terms of that certain "Secured Promissory Note" of even date herewith, in the principal amount of One Million Seven Hundred Thousand and No/100ths Dollars ($1,700,000.00), executed by Trustor, as "*Borrower*", and payable to the order of Lender (as the same may be amended, modified, supplemented or replaced from time to time, the "*Note*"); and

(b) Payment and performance of all covenants and obligations of Trustor under this Security Instrument; and

(c) Payment and performance of all covenants and obligations on the part of Borrower under that certain "Loan Agreement" of even date herewith by and between Borrower and Lender (as the same may be amended, modified, supplemented or replaced from time to time, the "*Loan Agreement*"), which Loan Agreement provides for, *inter alia*, the construction of the Improvements on the Property; and

(d) Payment and performance of all covenants and obligations, if any, of any rider attached as an exhibit to this Security Instrument; and

(e) Payment and performance of all future advances and other obligations that the then record owner of all or part of the Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Lender, when such future advance or obligation is evidenced by an instrument in writing, which recites that it is secured by this Security Instrument including any and all advances or disbursements of Lender with respect to the Property for the payment of taxes, assessments, insurance premiums or costs incurred for the protection of the Property; and

(f) All modifications, extensions, novations and renewals of any of the obligations secured hereby, however evidenced, including, without limitation: (i) modifications of the required principal payment dates or interest payment dates or both, as the case may be, deferring or accelerating payment dates wholly or partly; or (ii) modifications, extensions or renewals at a different rate of interest whether or not in the case of a note, the modification, extension or renewal is evidenced by a new or additional promissory note or notes.

2.2 **Obligations**. The term "*obligations*" is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges (if any), late charges and loan fees at any time accruing or assessed on any of the Secured Obligations together with all costs of collecting the Secured Obligations.

2.3 **Incorporation**. All terms of the Secured Obligations and the documents evidencing such obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Property shall be deemed to have notice of the terms of the Secured Obligations and to have notice, if provided therein, that: (a) the Note or the Loan Agreement may permit borrowing, repayment and re-borrowing so that repayments shall not reduce the amounts of the Secured Obligations; and (b) the rate of interest, if any, on one or more Secured Obligations may vary from time to time.

ARTICLE 3. ASSIGNMENT OF LEASES AND RENTS

3.1 **Assignment**. Trustor hereby absolutely and irrevocably assigns and transfers to Lender all of Trustor's right, title and interest in, to and under: (a) all present and future leases, subleases, licenses or occupancy agreements of the Property or any portion thereof, and all other agreements of any kind relating to the management, leasing, operation, use or occupancy of the Property or any portion thereof, whether now existing or entered into after the date hereof ("*Leases*"); and (b) the rents, revenue, income, receipts, reserves, issues, deposits and profits of the Property, including, without limitation, all amounts payable and all rights and benefits accruing to Trustor under the Leases ("*Payments*"). The term "*Leases*," as referred to herein, shall also include all subleases and other agreements for the use or occupancy of the Property, options, rights of first refusal or guarantees of and security for the tenant's performance thereunder, the right to exercise any landlord's liens and other remedies to which the landlord is entitled, and all amendments, extensions, renewals or modifications thereto which are permitted hereunder. This assignment is intended to be and constitutes a present and absolute "assignment of rents," within the meaning of Utah Uniform Assignment of Rents Act (UTAH CODE ANN. § 57-26-101 et. seq.) and Lender's right to the Leases and Payments is not contingent upon, and may be exercised without possession of, the Property.

3.2 **Grant of License**. Lender confers upon Trustor a revocable license ("*License*") to collect and retain the Payments as they become due and payable, until the occurrence of a Default (as hereinafter defined). Upon a Default, the License shall be automatically revoked and Lender may collect and apply the Payments pursuant to that certain Section hereof entitled Application of Other Sums without notice and without taking possession of the Property. All payments thereafter collected by Trustor shall be held by Trustor as trustee under a constructive trust for the benefit of Lender. Trustor hereby irrevocably authorizes and directs the tenants under the Leases to rely upon and comply with any notice or demand by Lender for the payment to Lender of any rentals or other sums which may at any time become due under the Leases, or for the performance of any of the tenants' undertakings under the Leases, and the tenants shall have no right or duty to inquire as to whether any Default has actually occurred or is then existing hereunder. Trustor hereby relieves the tenants

from any liability to Trustor by reason of relying upon and complying with any such notice or demand by Lender. Lender may apply, in its sole discretion, any Payments so collected by Lender against any Secured Obligation under the Loan Documents (as defined in the Loan Agreement), whether existing on the date hereof or hereafter arising. Collection of any Payments by Lender shall not cure or waive any Default or notice of Default or invalidate any acts done pursuant to such notice.

3.3 **Effect of Assignment**. The foregoing irrevocable assignment shall not cause Lender to be: (a) a mortgagee in possession; (b) responsible or liable for the control, care, management or repair of the Property or for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Leases; or (c) responsible or liable for any waste committed on the Property by the tenants under any of the Leases or any other parties; for any dangerous or defective condition of the Property; or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee, invitee or other person; or (d) responsible for or under any duty to produce rents or profits. Lender and Trustee shall not directly or indirectly be liable to Trustor or any other person as a consequence of: (i) the exercise or failure to exercise by Lender or Trustee, or any of their respective employees, agents, contractors or subcontractors, any of the rights, remedies or powers granted to Lender or Trustee hereunder; or (ii) the failure or refusal of Lender to perform or discharge any obligation, duty or liability of Trustor arising under the Leases.

3.4 **Representations and Warranties**. Trustor represents and warrants that there are no existing leases of any portion of the Property. If Trustor enters into any such lease, Trustor promptly will deliver to Lender a true, accurate and complete list of all such Leases together with copies thereof.

3.5 **Covenants**. Following the execution of any Lease of the Property by Trustor, Trustor covenants and agrees, at Trustor's sole cost and expense, to: (a) perform all of the obligations of landlord contained in the Leases and enforce by all available and commercially reasonable remedies performance by the tenants of the obligations of the tenants contained in the Leases; (b) exercise Trustor's best efforts to keep all residential housing units on the Property leased at all times at their fair rental value or such other rates specified in the Loan Agreement; (c) deliver to Lender fully executed, counterpart original(s) of each and every Lease and any modifications or amendments thereto if requested to do so; and (d) execute and record such additional assignments of any Lease or specific subordinations (or subordination, attornment and non-disturbance agreements executed by the landlord and tenant) of any Lease to this Security Instrument, in form and substance acceptable to Lender, as Lender may request.

3.6 **Lender Right to Cure**. Without regard to whether there exists a Default, if there exists a default under a Lease or any other contract collaterally assigned by Borrower to Lender in connection with the Loan, Trustor acknowledges and agrees (a) that Lender may, at its option, with no obligation to do so, take any actions necessary to cure such default including, without limitation, any actions that require Lender or its designee to enter onto the Property, (b) to indemnify, defend and hold Indemnitees (defined below) harmless in connection with any such action, and (c) any money advanced for any such purpose shall be secured hereby and payable by Trustor to Lender on demand, with interest thereon at the default rate from the date such amounts are advanced.

ARTICLE 4. SECURITY AGREEMENT AND FIXTURE FILING

4.1 **Security Interest**. Trustor hereby grants and assigns to Lender as of the effective date of the Note (the "*Effective Date*") a security interest, to secure payment and performance of all of the

Secured Obligations, in all of the following in which Trustor now or at any time hereafter has any interest (collectively, the "*Collateral*"):

> All goods, building and other materials, supplies, inventory, work in process, equipment, machinery, fixtures, furniture, furnishings, signs and other personal property and embedded software included therein and supporting information, wherever situated, which are or are to be incorporated into, used in connection with, or appropriated for use on the Property; together with all Payments and other rents and security deposits derived from the Property; all inventory, accounts, cash receipts, deposit accounts (including impound accounts, if any), accounts receivable, contract rights, licenses, agreements, general intangibles, payment intangibles, software, chattel paper (whether electronic or tangible), instruments, documents, promissory notes, drafts, letters of credit, letter of credit rights, supporting obligations, insurance policies, insurance and condemnation awards and proceeds, proceeds of the sale of promissory notes, any other rights to the payment of money, trade names, trademarks and service marks arising from or related to the ownership, management, leasing, operation, sale or disposition of the Property or any business now or hereafter conducted thereon by Trustor; all development rights and credits, and any and all permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from, any governmental entity with respect to the Property; all water and water rights, wells and well rights, canals and canal rights, ditches and ditch rights, springs and spring rights, and reservoirs and reservoir rights appurtenant to or associated with the Property, whether decreed or undecreed, tributary, non-tributary or not non-tributary, surface or underground or appropriated or unappropriated, and all shares of stock in water, ditch, lateral and canal companies, well permits and all other evidences of any of such rights; all deposits or other security now or hereafter made with or given to utility companies by Trustor with respect to the Property; all advance payments of insurance premiums made by Trustor with respect to the Property; all plans, drawings and specifications relating to the Property; all loan funds held by Lender, whether or not disbursed; all funds deposited with Lender pursuant to any loan agreement; all reserves, deferred payments, deposits, accounts, refunds, cost savings and payments of any kind related to the Property or any portion thereof; together with all replacements and proceeds of, and additions and accessions to, any of the foregoing; together with all books, records and files relating to any of the foregoing.

As to all of the above described personal property which is or which hereafter becomes a "fixture" under applicable law, it is intended by Trustor and Lender that this Security Instrument constitutes a fixture filing filed with the real estate records of Salt Lake County, Utah, under the Uniform Commercial Code, as amended or recodified from time to time, from the state of Utah ("*UCC*"), and is acknowledged and agreed to be a "construction mortgage" under the UCC.

For purposes of this fixture filing, the "Debtor" is Trustor and the "Secured Party" is Lender. A description of the land which relates to the fixtures is set forth in the Exhibit attached hereto. Trustor is the record owner of such land. The filing of a financing statement covering the Collateral shall not be construed to derogate from or impair the lien or provisions of this Security Instrument with respect to any property described herein which is real property or which the parties have agreed to treat as real property. Similarly, nothing in any financing statement shall be construed to alter any of the rights of Lender under this Security Instrument or the priority of Lender's lien created hereby, and such financing statement is declared to be for the protection of Lender in the event any court shall at

any time hold that notice of Lender's priority interest in any property or interests described in this Security Instrument must, in order to be effective against a particular class of persons, including but not limited to the Federal government and any subdivision, agency or entity of the Federal government, be filed in the UCC records.

4.2 **Representations and Warranties**. Trustor represents and warrants that: (a) Trustor has, or will have, good title to the Collateral; (b) except as previously disclosed in writing to Secured Party in connection with issuance of the lenders policy of title insurance insuring the priority of this Security Instrument, Trustor has not previously assigned or encumbered the Collateral, and no financing statement covering any of the Collateral has been delivered to any other person or entity; and (c) Trustor's principal place of business is located at the address set forth on the cover page of this Security Instrument.

4.3 **Covenants**. Trustor agrees: (a) to execute and deliver such documents as Lender deems necessary to create, perfect and continue the security interests contemplated hereby; (b) not to change its name, and as applicable, its chief executive office, its principal residence or the jurisdiction in which it is organized and/or registered without giving Lender prior written notice thereof; (c) to cooperate with Lender in perfecting all security interests granted herein and in obtaining such agreements from third parties as Lender deems necessary, proper or convenient in connection with the preservation, perfection or enforcement of any of its rights hereunder; and (d) that Lender is authorized to file financing statements in the name of Trustor to perfect Lender's security interest in the Collateral.

4.4 **Rights of Lender**. In addition to Lender's rights as a "Secured Party" under the UCC, Lender may, but shall not be obligated to, at any time without notice and at the expense of Trustor: (a) give notice to any person of Lender's rights hereunder and enforce such rights at law or in equity; (b) following written notice to Trustor as set forth in the Loan Agreement, insure, protect, defend and preserve the Collateral or any rights or interests of Lender therein; (c) inspect the Collateral; and (d) endorse, collect and receive any right to payment of money owing to Trustor under or from the Collateral. Upon the occurrence of a Default under this Security Instrument, then in addition to all of Lender's rights as a "Secured Party" under the UCC or otherwise at law and in addition to Lender's rights under the Loan Documents:

(a) Lender may (i) upon written notice, require Trustor to assemble any or all of the Collateral and make it available to Lender at a place designated by Lender; (ii) without prior notice, enter upon the Property or other place where any of the Collateral may be located and take possession of, collect, sell, lease, license or otherwise dispose of any or all of the Collateral, and store the same at locations acceptable to Lender at Trustor's expense; (iii) sell, assign and deliver at any place or in any lawful manner all or any part of the Collateral and bid and become the purchaser at any such sales; and

(b) Lender may, for the account of Trustor and at Trustor's expense: (i) operate, use, consume, sell, lease, license or otherwise dispose of the Collateral as Lender deems appropriate for the purpose of performing any or all of the Secured Obligations; (ii) enter into any agreement, compromise, or settlement, including insurance claims, which Lender may deem desirable or proper with respect to any of the Collateral; and (iii) endorse and deliver evidences of title for, and receive, enforce and collect by legal action or otherwise, all indebtedness and obligations now or hereafter owing to Trustor in connection with or on account of any or all of the Collateral; and

(c) Any proceeds of any disposition of any Collateral may be applied by Lender to the payment of expenses incurred by Lender in connection with the foregoing, including reasonable attorneys' fees, and the balance of such proceeds may be applied by Lender toward the payment of the Secured Obligations in such order of application as Lender may from time to time elect.

Notwithstanding any other provision hereof, Lender shall not be deemed to have accepted any property other than cash in satisfaction of any obligation of Trustor to Lender unless Trustor shall make an express written election of said remedy under the UCC or other applicable law. Trustor agrees that Lender shall have no obligation to process or prepare any Collateral for sale or other disposition. Trustor acknowledges and agrees that a disposition of the Collateral in accordance with Lender's rights and remedies as heretofore provided is a disposition thereof in a commercially reasonable manner and that ten days prior notice of such disposition is commercially reasonable notice.

4.5 **Power of Attorney**. Trustor hereby irrevocably appoints Lender as Trustor's attorney-in-fact (such agency being coupled with an interest), and as such attorney-in-fact Lender may, without the obligation to do so, in Lender's name, or in the name of Trustor, prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve any of Lender's security interests and rights in or to any of the Collateral, and, upon a Default hereunder, take any other action required of Trustor; provided, however, that Lender as such attorney-in-fact shall be accountable only for such funds as are actually received by Lender.

ARTICLE 5. RIGHTS AND DUTIES OF THE PARTIES

5.1 **Performance of Secured Obligations**. Trustor shall promptly pay and perform each Secured Obligation for which it is responsible hereunder or under the Loan Agreement when due. If Trustor fails to timely pay or perform any portion of the Secured Obligations (including taxes, assessments and insurance premiums), or if a legal proceeding is commenced that may adversely affect Lender's rights in the Property, then Lender may (but is not obligated to), at Trustor's expense, following notice and opportunity to cure as set forth in the Loan Agreement, take such action as it considers to be necessary to protect the value of the Property and Lender's rights in the Property, including the retaining of counsel, and any amount so expended by Lender will be added to the Secured Obligations and will be payable by Trustor to Lender on demand, together with interest thereon from the date of advance until paid at the default rate provided in the Note.

5.2 **Taxes and Assessments**. Subject to Trustor's rights to contest payment of taxes or assessments as may be provided in the Loan Agreement, Trustor shall pay prior to delinquency all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or which may become a lien upon or cause a loss in value of the Property or any interest therein. Trustor shall also pay prior to delinquency all taxes, assessments, levies and charges imposed by any public authority upon Lender by reason of its interest in any Secured Obligation or in the Property, or by reason of any payment made to Lender pursuant to any Secured Obligation; provided, however, Trustor shall have no obligation to pay taxes which may be imposed from time to time upon Lender and which are measured by and imposed upon Lender's net income.

5.3 **Liens, Encumbrances and Charges**. Trustor shall immediately discharge all liens, claims and encumbrances (excluding the Senior Liens) not approved by Lender in writing that has or may attain priority over this Security Instrument. Subject to any right of Trustor under the Loan Agreement to contest such liens, claims and encumbrances, Trustor shall pay when due all obligations

secured by, or which may become, liens and encumbrances which shall now or hereafter encumber or appear to encumber all or any part of the Property or Collateral, or any interest therein, whether senior or subordinate hereto.

5.4 **Damages; Insurance and Condemnation Proceeds**.

(a) Subject to the rights of the lenders holding the Senior Liens, the following (whether now existing or hereafter arising) are all absolutely and irrevocably assigned by Trustor to Lender and, at the request of Lender, shall be paid directly to Lender: (i) all awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation for public or private use affecting all or any part of, or any interest in, the Property or Collateral; (ii) all other claims and awards for damages to, or decrease in value of, all or any part of, or any interest in, the Property or Collateral; (iii) all proceeds of any insurance policies (whether or not expressly required by Lender to be maintained by Trustor, including, but not limited to, earthquake insurance and terrorism insurance, if any) payable by reason of loss sustained to all or any part of the Property or Collateral; and (iv) all interest which may accrue on any of the foregoing.

Subject to applicable law, and without regard to any requirement contained in this Security Instrument, Lender may at its discretion apply all or any of the proceeds it receives to its expenses in settling, prosecuting or defending any claim and may apply the balance to the Secured Obligations in such order and amounts as Lender in its sole discretion may choose, and/or Lender may release all or any part of the proceeds to Trustor upon any conditions Lender may impose. Lender may commence, appear in, defend or prosecute any assigned claim or action and may adjust, compromise, settle and collect all claims and awards assigned to Lender; provided, however, in no event shall Lender be responsible for any failure to collect any claim or award, regardless of the cause of the failure, including, without limitation, any malfeasance or nonfeasance by Lender or its employees or agents.

(b) Notwithstanding the foregoing, so long as no Default, or event or condition which with the giving of notice or the passage of time or both would become a Default, has occurred and is continuing, Lender will permit insurance or condemnation proceeds held by Lender to be used for repair or restoration but may condition such application upon reasonable conditions, including, without limitation: (i) the deposit with Lender of such additional funds which Lender determines are needed to pay all costs of the repair or restoration, (including, without limitation, taxes, financing charges, insurance and rent during the repair period); (ii) the establishment of an arrangement for lien releases and disbursement of funds acceptable to Lender (the arrangement contained in the Loan Agreement for obtaining lien releases and disbursing loan funds shall be deemed reasonable with respect to disbursement of insurance or condemnation proceeds); (iii) the delivery to Lender of plans and specifications for the work, a contract for the work signed by a contractor acceptable to Lender, a cost breakdown for the work and a payment and performance bond for the work, all of which shall be acceptable to Lender; and (iv) the delivery to Lender of evidence acceptable to Lender (aa) that after completion of the work the income from the Property will be sufficient to pay all expenses and debt service for the Property; (bb) of the continuation of Leases acceptable to and required by Lender; (cc) that upon completion of the work, the size, capacity and total value of the Property will be at least as great as it was before the damage or condemnation occurred; (dd) that there has been no material adverse change in the financial condition or credit of Trustor and Borrower and any guarantors since the date of this Security Instrument; (ee) that the repair or restoration is reasonably projected to be completed before the maturity date of the Note; and (ff) of the satisfaction of any additional conditions that Lender may reasonably establish to protect its security. Trustor hereby acknowledges that the conditions described above are reasonable, and, if such conditions have not

been satisfied within 60 days after Lender's receipt of such insurance or condemnation proceeds, then Lender may apply such insurance or condemnation proceeds to pay the Secured Obligations in such order and amounts as Lender in its sole discretion may choose.

5.5 **Maintenance and Preservation of the Property**. Subject to the provisions of the Loan Agreement, Trustor covenants: (a) to insure the Property and Collateral against such risks as Lender may require as set forth in the Loan Agreement, and, at Lender's request, to provide evidence of such insurance to Lender, and to comply with the requirements of any insurance companies providing such insurance; (b) to keep the Property and Collateral in good condition and repair; (c) not to remove, demolish or otherwise materially adversely alter the Property or Collateral or any part thereof; (d) to complete or restore promptly and in good and workmanlike manner the Property and Collateral, or any part thereof which may be damaged or destroyed, without regard to whether Lender elects to require that insurance proceeds be used to reduce the Secured Obligations as provided in that certain Section hereof entitled Damages; Insurance and Condemnation Proceeds; (e) to comply with all laws, ordinances, regulations and standards, and all covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character which affect the Property or Collateral and pertain to acts committed or conditions existing thereon, including, without limitation, any work, alteration, improvement or demolition mandated by such laws, covenants or requirements; (f) not to commit or permit waste of the Property or Collateral; and (g) to do all other acts which from the character or use of the Property or Collateral may be reasonably necessary to maintain and preserve its value.

5.6 **Defense and Notice of Losses, Claims and Actions**. At Trustor's sole expense, Trustor shall protect, preserve and defend the Property and Collateral and title to and right of possession of the Property and Collateral, the security hereof and the rights and powers of Lender and Trustee hereunder against all adverse claims. Trustor shall give Lender and Trustee prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding, of the occurrence of any material damage to the Property or Collateral and of any condemnation offer or action with respect to the Property or Collateral.

5.7 **Actions by Lender**. From time to time, without affecting the personal liability of any person for payment of any indebtedness or performance of any obligations secured hereby, Lender, without liability therefor and without notice, may: (a) release all or any part of the Property from this Security Instrument; (b) consent to the making of any map or plat thereof; and (c) join in any grant of easement thereon, any declaration of covenants and restrictions, or any extension agreement or any agreement subordinating the lien or charge of this Security Instrument.

5.8 **Acceptance of Trust; Powers and Duties of Trustee**.

(a) Trustee accepts this trust when this Security Instrument is recorded. Except as may be required by applicable law, Trustee or Lender may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trust hereunder and the enforcement of the rights and remedies available hereunder, and may obtain orders or decrees directing or confirming or approving acts in the execution of said trust and the enforcement of said remedies.

(b) Trustee shall not be required to take any action toward the execution and enforcement of the trust hereby created or to institute, appear in, or defend any action, suit, or other proceeding in connection therewith where, in Trustee's opinion, such action would be likely to

involve Trustee in expense or liability, unless requested so to do by a written instrument signed by Lender and, if Trustee so requests, unless Trustee is tendered security and indemnity satisfactory to Trustee against any and all cost, expense, and liability arising therefrom. Trustee shall not be responsible for the execution, acknowledgment, or validity of the Loan Documents, or for the proper authorization thereof, or for the sufficiency of the lien and security interest purported to be created hereby, and Trustee makes no representation in respect thereof or in respect of the rights, remedies, and recourses of Lender.

(c) With the approval of Lender and following an event causing Lender to reasonably question the quality of construction of the Improvements or their compliance with approved plans and specifications and following notice and opportunity to cure as set forth in the Loan Agreement, Trustee shall have the right to take any and all of the following actions: (i) to select, employ, and advise with counsel (who may be, but need not be, counsel for Lender) upon any matters arising hereunder, including the preparation, execution, and interpretation of the Loan Documents, and shall be fully protected in relying as to legal matters on the advice of counsel, (ii) to execute any of the trusts and powers hereof and to perform any duty hereunder either directly or through his agents or attorneys, (iii) to select and employ, in and about the execution of his duties hereunder, suitable accountants, engineers and other experts, agents and attorneys-in-fact, either corporate or individual, not regularly in the employ of Trustee (and Trustee shall not be answerable for any act, default, negligence, or misconduct of any such accountant, engineer or other expert, agent or attorney-in-fact, if selected with reasonable care, or for any error of judgment or act done by Trustee in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except for Trustee's gross negligence or bad faith), and (iv) any and all other lawful action as Lender may instruct Trustee to take to protect or enforce Lender's rights hereunder. Trustee shall not be personally liable in case of entry by Trustee, or anyone entering by virtue of the powers herein granted to Trustee, upon the Property for debts contracted for or liability or damages incurred in the management or operation of the Property. Trustee shall have the right to rely on any instrument, document, or signature authorizing or supporting any action taken or proposed to be taken by Trustee hereunder, believed by Trustee in good faith to be genuine. Trustee shall be entitled to reimbursement for expenses incurred by Trustee in the performance of Trustee's duties hereunder and to reasonable compensation for such of Trustee's services hereunder as shall be rendered. **TRUSTOR WILL, FROM TIME TO TIME, PAY THE COMPENSATION DUE TO TRUSTEE HEREUNDER AND REIMBURSE TRUSTEE FOR, AND INDEMNIFY AND HOLD HARMLESS TRUSTEE AGAINST, ANY AND ALL LIABILITY AND EXPENSES WHICH MAY BE INCURRED BY TRUSTEE IN THE PERFORMANCE OF TRUSTEE'S DUTIES.**

(d) All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by applicable law) and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder.

(e) Should any deed, conveyance, or instrument of any nature be required from Trustor by any Trustee or substitute Trustee to more fully and certainly vest in and confirm to Trustee or substitute Trustee such estates, rights, powers, and duties, then, upon request by Trustee or substitute Trustee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged, and delivered and shall be caused to be recorded and/or filed by Trustor.

(f) By accepting or approving anything required to be observed, performed, or fulfilled or to be given to Trustee pursuant to the Loan Documents, including without limitation, any

deed, conveyance, instrument, officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Trustee shall not be deemed to have warranted, consented to, or affirmed the sufficiency, legality, effectiveness, or legal effect of the same, or of any term, provision, or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty or affirmation with respect thereto by Trustee.

5.9 **Compensation; Exculpation; Indemnification**.

(a) Lender shall not directly or indirectly be liable to Trustor or any other person as a consequence of (i) the exercise of the rights, remedies or powers granted to Lender in this Security Instrument; (ii) the failure or refusal of Lender to perform or discharge any obligation or liability of Trustor under any agreement related to the Property or Collateral or under this Security Instrument; or (iii) any loss sustained by Trustor or any third party resulting from Lender's failure (whether by malfeasance, nonfeasance or refusal to act) to lease the Property after a Default or from any other act or omission (regardless of whether same constitutes negligence) of Lender in managing the Property after a Default unless the loss is caused by the gross negligence or willful misconduct of Lender and no such liability shall be asserted against or imposed upon Lender, and all such liability is hereby expressly waived and released by Trustor.

(b) **TRUSTOR AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS TRUSTEE AND INDEMNITEES (AS HEREINAFTER DEFINED) FOR, FROM AND AGAINST ALL LOSSES, DAMAGES, LIABILITIES, CLAIMS, ACTIONS, JUDGMENTS, COURT COSTS, AND LEGAL EXPENSES OR OTHER EXPENSES (INCLUDING WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES AND EXPENSES), COST OF EVIDENCE OF TITLE, COST OF EVIDENCE OF VALUE, AND OTHER EXPENSES WHICH ANY INDEMNITEE MAY INCUR TO THIRD PARTIES OR DUE TO THIRD PARTY CLAIMS AS A DIRECT OR INDIRECT CONSEQUENCE OF: (i) BY REASON OF AN EVENT OF DEFAULT BY TRUSTOR PURSUANT TO THE LOAN AGREEMENT, THE NOTE OR THIS SECURITY INSTRUMENT; (ii) BY REASON OF THE EXECUTION OF THIS SECURITY INSTRUMENT OR IN PERFORMANCE BY TRUSTEE OF ANY ACT REQUIRED OR PERMITTED HEREUNDER OR BY LAW; (iii) AS A RESULT OF ANY FAILURE OF TRUSTOR TO PERFORM TRUSTOR'S OBLIGATIONS UNDER THE LOAN AGREEMENT, THE NOTE OR THIS SECURITY INSTRUMENT; OR (iv) BY REASON OF ANY ALLEGED OBLIGATION OR UNDERTAKING ON ANY INDEMNITEE'S PART TO PERFORM OR DISCHARGE ANY OF THE REPRESENTATIONS, WARRANTIES, CONDITIONS, COVENANTS OR OTHER OBLIGATIONS CONTAINED IN ANY OTHER DOCUMENT RELATED TO THE PROPERTY. THE ABOVE OBLIGATION OF TRUSTOR TO INDEMNIFY AND HOLD HARMLESS TRUSTEE AND INDEMNITEES SHALL SURVIVE THE CANCELLATION OF THE SECURED OBLIGATIONS AND THE RECONVEYANCE, RELEASE OR SATISFACTION OR PARTIAL RECONVEYANCE, RELEASE OR SATISFACTION OF THIS SECURITY INSTRUMENT. FOR THE PURPOSES HEREOF, "INDEMNITEES" SHALL MEAN LENDER, LENDER'S PARENTS, SUBSIDIARIES AND AFFILIATES (INCLUDING, WITHOUT LIMITATION, MIDVALE CITY), ANY HOLDER OF OR PARTICIPANT IN THE LOAN, AND EACH OF THEIR RESPECTIVE DIRECTORS OFFICERS, EMPLOYEES, AGENTS, SUCCESSORS AND ASSIGNS OF ANY OF THE FOREGOING.**

(c) Trustor shall pay all amounts and indebtedness arising under this Section

immediately upon demand by Trustee or Lender together with interest thereon from the date the indebtedness arises at the rate of interest then applicable to the principal balance of the Note as specified therein.

5.10 **Substitution of Trustee**. Trustee may resign at any time by giving notice thereof to Lender as provided by law. Lender may, from time to time, by instrument in writing, substitute a successor to any Trustee named herein or acting hereunder in the manner provided by law. Such writing, upon recordation, shall be conclusive proof of proper substitution of such successor Trustee, who shall, without conveyance from the predecessor Trustee, succeed to all its title.

5.11 **Due on Sale or Encumbrance**. If the Property or any interest therein or if any direct or indirect ownership interest in Trustor shall be sold, under contract to sell, transferred, mortgaged, assigned, further encumbered or leased, whether directly or indirectly, whether voluntarily, involuntarily or by operation of law, or if there shall be any change in the management of the Property or Trustor, in each case without the prior written consent of Lender or as expressly permitted by or in accordance with the Loan Agreement, THEN Lender, in its sole discretion, may at any time thereafter declare all Secured Obligations immediately due and payable.

5.12 **Releases, Extensions, Modifications and Additional Security**. Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Property and Collateral or in any manner obligated under the Secured Obligations ("*Interested Parties*"), Lender may, from time to time and without notice to Trustor or Borrower (i) release any person or entity from liability for the payment or performance of any Secured Obligation; (ii) take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation; or (iii) accept additional security or release all or a portion of the Property and Collateral and other security for the Secured Obligations. None of the foregoing actions shall release or reduce the personal liability of any of said Interested Parties, or release or impair the priority of the lien of and security interests created by this Security Instrument upon the Property, the Collateral or any other security provided herein or in the other Loan Documents.

5.13 **Reconveyance**. Upon Lender's written request, and upon surrender to Trustee for cancellation, release or satisfaction of this Security Instrument or a certified copy thereof and any note, instrument, or instruments setting forth all obligations secured hereby, Trustee shall reconvey or release, without warranty, the Property or that portion thereof then held hereunder. To the extent permitted by law, the reconveyance, release or satisfaction may describe the grantee as "the person or persons legally entitled thereto" and the recitals of any matters or facts in any reconveyance, release or satisfaction executed hereunder shall be conclusive proof of the truthfulness thereof. Lender and Trustee shall not have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance, release or satisfaction. When the Property has been fully reconveyed, released or satisfied, the last such reconveyance, release or satisfaction shall operate as a reassignment of all future rents, issues and profits of the Property to the person or persons legally entitled thereto.

5.14 **Subrogation**. Lender shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Lender pursuant to the Loan Documents or by the proceeds of any loan secured by this Security Instrument.

5.15 **Right of Inspection**. Lender, its agents, representatives and employees, may enter any part of the Property at any reasonable time for the purpose of inspecting the Property and Collateral and ascertaining Trustor's compliance with the terms hereof and of the other Loan Documents.

ARTICLE 6. DEFAULT PROVISIONS

6.1 **Default**. For all purposes hereof, the term "*Default*" shall mean (a) at Lender's option, the failure of Trustor or any other person liable to make any payment of principal or interest on the Note or to pay any other amount due hereunder or under the Note when the same is due and payable, whether at maturity, by acceleration or otherwise, and following applicable notice and cure periods as set forth in the Loan Agreement; or (b) the occurrence of any "Default" or "Event of Default" as defined in any one or more of the Loan Agreement or any other Loan Document, and following applicable notice and cure periods as set forth in the Loan Agreement.

6.2 **Rights and Remedies**. At any time after Default, Lender and Trustee shall each have each and every one of the following rights and remedies in addition to Lender's rights under the other Loan Documents:

(a) With or without notice, to declare all Secured Obligations immediately due and payable.

(b) With or without notice, and without releasing Trustor or Borrower from any Secured Obligation, and without becoming a mortgagee in possession, to cure any breach or Default of Trustor or Borrower and, in connection therewith, to enter upon the Property and do such acts and things as Lender or Trustee deems necessary or desirable to protect the security hereof, including, without limitation: (i) to appear in and defend any action or proceeding purporting to affect the security of this Security Instrument or the rights or powers of Lender or Trustee under this Security Instrument; (ii) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the sole judgment of either Lender or Trustee, is or may be senior in priority to this Security Instrument, the judgment of Lender or Trustee being conclusive as between the parties hereto; (iii) to obtain insurance and to pay any premiums or charges with respect to insurance required to be carried under this Security Instrument; or (iv) to employ counsel, accountants, contractors and other appropriate persons.

(c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as a deed of trust or mortgage or to obtain specific enforcement of the covenants of Trustor hereunder, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that for the purposes of any suit brought under this subparagraph, Trustor waives the defense of laches and any applicable statute of limitations.

(d) To the extent this Security Instrument may encumber more than one property, Lender at its sole option shall have the right to foreclose any one property or to foreclose en masse. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness to the decree for sale all costs, fees and expenses described in that certain Section hereof entitled Payment of Costs, Expenses and Attorney's Fees which may be paid or incurred by or on behalf of Lender to prosecute such suit, and such other costs and fees including, but not limited to, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, accounting fees, brokerage commissions, costs of whatever nature or kind to protect and avoid impairment of the Property, and other related costs and fees as shall be necessary.

(e) To apply to a court of competent jurisdiction for and obtain the ex parte appointment of a receiver of the Property as a matter of strict right and without regard to the adequacy

of the security for the repayment of the Secured Obligations, the existence of a declaration that the Secured Obligations are immediately due and payable, or the filing of a notice of default.

(f) To enter upon, possess, control, lease, manage and operate the Property or any part thereof, to take and possess all documents, books, records, papers and accounts of Trustor or the then owner of the Property, to make, terminate, enforce or modify Leases of the Property upon such terms and conditions as Lender deems proper, to make repairs, alterations and improvements to the Property as necessary, in Trustee's or Lender's sole judgment, to protect or enhance the security hereof and to continue and complete construction of the Improvements of the Property as necessary in Lender's sole judgment.

(g) To execute a written notice of such Default and of its election to cause the Property to be sold to satisfy the Secured Obligations. As a condition precedent to any such sale, Trustee shall give and record such notice as the law then requires. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustor except as required by law, shall sell the Property at the time and place of sale fixed by it in the notice of sale, at one or several sales, either as a whole or in separate parcels and in such manner and order, all as Lender in its sole discretion may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at time of sale. Neither Trustor nor any other person or entity other than Lender shall have the right to direct the order in which the Property is sold. Subject to requirements and limits imposed by law, Trustee may from time to time postpone sale of all or any portion of the Property by public announcement at such time and place of sale. Trustee shall deliver to the purchaser at such sale a deed conveying the Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee, Trustor or Lender may purchase at the sale.

(h) To resort to and realize upon the security hereunder and any other security now or later held by Lender concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both, and to apply the proceeds received upon the Secured Obligations all in such order and manner as Lender and Trustee, or either of them, determine in their sole discretion.

(i) Upon sale of the Property at any foreclosure sale, Lender may credit bid (as determined by Lender in its sole and absolute discretion) all or any portion of the Secured Obligations. In determining such credit bid, to the extent permitted by law, Lender may, but is not obligated to, take into account all or any of the following: (i) appraisals of the Property as such appraisals may be discounted or adjusted by Lender in its sole and absolute underwriting discretion; (ii) expenses and costs incurred by Lender with respect to the Property prior to foreclosure; (iii) expenses and costs which Lender anticipates will be incurred with respect to the Property after foreclosure, but prior to resale, including, without limitation, costs of structural reports and other due diligence, costs to carry the Property prior to resale, costs of resale (e.g. commissions, reasonable attorneys' fees, and taxes), costs of any hazardous materials clean-up and monitoring, costs of deferred maintenance, repair, refurbishment and retrofit, costs of defending or settling litigation affecting the Property, and lost opportunity costs (if any), including the time value of money during any anticipated holding period by Lender; (iv) declining trends in real property values generally and with respect to properties similar to the Property; (v) anticipated discounts upon resale of the Property as a distressed or foreclosed property; (vi) the fact of additional collateral (if any), for the Secured Obligations; and (vii) such other factors or matters that Lender (in its sole and absolute discretion) deems appropriate.

In regard to the above, Trustor acknowledges and agrees that: (w) Lender is not required to use any or all of the foregoing factors to determine the amount of its credit bid; (x) this Section does not impose upon Lender any additional obligations that are not imposed by law at the time the credit bid is made; (y) the amount of Lender's credit bid need not have any relation to any loan-to-value ratios specified in the Loan Documents or previously discussed between Trustor and Lender; and (z) Lender's credit bid may be (at Lender's sole and absolute discretion) higher or lower than any appraised value of the Property.

(j) Upon the completion of any foreclosure of all or a portion of the Property, commence an action to recover any of the Secured Obligations that remains unpaid or unsatisfied.

(k) Exercise any and all remedies at law, equity, or under the Note, Security Instrument or other Loan Documents for such Default.

(l) Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address set forth herein.

6.3 **Application of Foreclosure Sale Proceeds**. Except as may be otherwise required by applicable law, after deducting all costs, fees and expenses of Lender and Trustee, and of this trust, including, without limitation, cost of evidence of title and reasonable attorneys' fees in connection with sale and costs and expenses of sale and of any judicial proceeding wherein such sale may be made, all proceeds of any foreclosure sale shall be applied: (a) to payment of all sums expended by Lender under the terms hereof and not then repaid, with accrued interest at the rate of interest specified in the Note to be applicable on or after maturity or acceleration of the Note; (b) to payment of all other Secured Obligations; and (c) the remainder, if any, to the person or persons legally entitled thereto.

6.4 **Application of Other Sums**. All sums received by Lender under this Security Instrument other than those described in that certain Section hereof entitled Rights and Remedies or that certain Section hereof entitled Grant of License, less all costs and expenses incurred by Lender or any receiver, including, without limitation, reasonable attorneys' fees, shall be applied in payment of the Secured Obligations in such order as Lender shall determine in its sole discretion; provided, however, Lender shall have no liability for funds not actually received by Lender.

6.5 **No Cure or Waiver**. Neither Lender's nor Trustee's nor any receiver's entry upon and taking possession of all or any part of the Property and Collateral, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise or failure to exercise of any other right or remedy by Lender or Trustee or any receiver shall cure or waive any breach, Default or notice of default under this Security Instrument, or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and Trustor has cured all other defaults), or limit or impair the status of the security, or prejudice Lender or Trustee in the exercise of any right or remedy, or be construed as an affirmation by Lender of any tenancy, lease or option or a subordination of the lien of or security interests created by this Security Instrument.

6.6 **Payment of Costs, Expenses and Attorney's Fees**. Trustor agrees to pay to Lender immediately and without demand all costs and expenses of any kind incurred by Trustee and Lender pursuant to this Article (including, without limitation, court costs and reasonable attorneys' fees,

whether incurred in litigation or not, including, without limitation, at trial, on appeal or in any bankruptcy or other proceeding, or not and the costs of any appraisals obtained in connection with a determination of the fair value of the Property) with interest from the date of expenditure until said sums have been paid at the rate of interest then applicable to the principal balance of the Note as specified therein or as allowed by applicable law. In addition, Trustor will pay the costs and fees for title searches, sale guarantees, publication costs, appraisal reports or environmental assessments made in preparation for and in the conduct of any such proceedings or suit, and Trustor shall pay to Trustee all Trustee's fees hereunder and shall reimburse Trustee for all expenses incurred in the administration of this trust, including, without limitation, any reasonable attorneys' fees. All of the foregoing amounts must be paid to Lender as part of any reinstatement tendered hereunder. In the event of any legal proceedings, court costs and reasonable attorneys' fees shall be set by the court and not by jury and shall be included in any judgment obtained by Lender.

6.7 **Power to File Notices and Cure Defaults**. Trustor hereby irrevocably appoints Lender and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) upon the issuance of a deed pursuant to the foreclosure of the lien of this Security Instrument or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment or further assurance with respect to the Property and Collateral, Leases and Payments in favor of the grantee of any such deed, as may be necessary or desirable for such purpose, (b) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Lender's security interests and rights in or to any of the Property and Collateral, and (c) upon the occurrence of an event, act or omission which, with notice or passage of time or both, would constitute a Default, and following applicable notice and cure periods, Lender may perform any obligation of Trustor hereunder; provided, however, that: (i) Lender as such attorney-in-fact shall only be accountable for such funds as are actually received by Lender; and (ii) Lender shall not be liable to Trustor or any other person or entity for any failure to act (whether such failure constitutes negligence) by Lender under this Section. Furthermore, Trustor hereby authorizes Lender and/or Trustee and their respective agents or counsel to file on behalf of Trustor financing statements that indicate the collateral (i) as all assets of Trustor or words of similar effect or (ii) as being of an equal, greater or lesser scope, or with greater or lesser detail, than as set forth in this Security Instrument.

6.8 **Remedies Cumulative**. All rights and remedies of Lender and Trustee provided hereunder are cumulative and are in addition to all rights and remedies provided by applicable law (including specifically that of foreclosure of this instrument as though it were a mortgage) or in any other agreements between Trustor and Lender. No failure on the part of Lender to exercise any of its rights hereunder arising upon any Default shall be construed to prejudice its rights upon the occurrence of any other or subsequent Default. No delay on the part of Lender in exercising any such rights shall be construed to preclude it from the exercise thereof at any time while that Default is continuing. Lender may enforce any one or more remedies or rights hereunder successively or concurrently. By accepting payment or performance of any of the Secured Obligations after its due date, Lender shall not waive the agreement contained herein that time is of the essence, nor shall Lender waive either its right to require prompt payment or performance when due of the remainder of the Secured Obligations or its right to consider the failure to so pay or perform a Default.

ARTICLE 7. GROUND LEASE

7.1 **Maintenance of Ground Lease**. With respect to the Ground Lease, Trustor covenants and agrees as follows:

(a) Trustor hereby assigns to Beneficiary all of Trustor's right, title and interest in and to the Ground Lease (and all renewals, extensions, modifications, and replacements thereof, including, without limitation, any security deposits made by Trustor). Upon the occurrence and during the continuance of an Event of Default, in addition to the other rights and remedies hereunder, Beneficiary may elect, by written notice to Ground Lessor and Trustor, to succeed to the interests of Trustor under the Ground Lease.

(b) Trustor will promptly pay, or cause to be paid, all rents, charges and other sums or amounts required to be paid by Trustor under the terms of the Ground Lease, will further timely and fully keep and perform all of the covenants, terms, conditions and provisions of the Ground Lease required to be performed and complied with by the tenant thereunder, and will not do or suffer to be done anything the doing of which, or refrain from doing anything the omission of which, will impair the security of this Security Instrument, unless expressly authorized by this Security Instrument. Trustor shall provide evidence of such payments immediately upon the request of Beneficiary. Trustor shall at all times do, or cause to be done, all things necessary to prevent any default under the Ground Lease. After the occurrence of any Event of Default under this Security Instrument, Trustor shall do, or cause to be done, all things necessary to preserve and keep unimpaired the rights of Trustor as lessee under the Ground Lease and to prevent any termination, surrender, cancellation, forfeiture or impairment thereof.

(c) At all times, Trustor shall not encumber, mortgage, or place a lien (other than Permitted Exceptions, as defined in the Loan Agreement) on the Ground Lease. Trustor shall not (i) terminate, modify, surrender, or materially amend the Ground Lease, or waive any terms or conditions of the Ground Lease without the prior written consent of Beneficiary, (ii) fail to exercise in a timely manner any renewal option(s) contained in the Ground Lease, or (iii) assign or sublet the Ground Lease, nor agree to any subordination of the Ground Lease, except in favor of Beneficiary or pursuant to a Senior Loan (as defined in the Loan Agreement) without the prior written consent of Beneficiary. Trustor also covenants that it will promptly notify Beneficiary of any breach by the Ground Lessor under the Ground Lease, of any inability of such Ground Lessor to perform its obligations under the Ground Lease, or of the interruption of any of the easement rights or estate described on Exhibit A hereto, and will enforce the obligations of the Ground Lessor under the Ground Lease, to the end that Trustor may enjoy all of the rights granted to it as lessee under the Ground Lease. Trustor assigns to Beneficiary the proceeds of any claim Trustor may have against such Ground Lessor for such breach or inability. Trustor shall, at its expense, diligently pursue enforcement of its rights as lessee under the Ground Lease and shall deliver to Beneficiary copies of all papers and documents generated in connection therewith and shall consult and cooperate with Beneficiary.

(d) Trustor shall give Beneficiary immediate notice of any material default by Trustor under the Ground Lease or of the receipt by it of any notice of default from the Ground Lessor thereunder or notice of termination of the Ground Lease pursuant to the provisions thereof and shall furnish to Beneficiary immediately any and all information which Beneficiary may reasonably request concerning the performance by Trustor of the covenants of the Ground Lease or of this Security Instrument. Trustor shall permit Beneficiary or its representatives at all reasonable times to make investigation or examination concerning the performance by Trustor of the covenants of the Ground Lease or of this Security Instrument, and upon notice of any uncured material default by Trustor under the Ground Lease, Beneficiary may, in its sole discretion and without any duty to do so, perform any duty or obligation of Trustor under the Ground Lease within any cure periods set forth in the Ground Lease, plus a period of sixty (60) additional days. Any such payments advanced by Beneficiary shall

be repaid by Trustor upon demand, together with interest thereon from the date of advance until repaid, both before and after judgment, at the Default Rate (as defined in the Loan Agreement).

7.2 **Additional Covenants Concerning Ground Lease**.

(a) This Security Instrument, and the assignment of interests of Trustor in and to the Ground Lease to Beneficiary, shall apply and be effective with respect to any and all future and additional leases entered into between Trustor and Ground Lessor concerning the Property.

(b) Beneficiary may, in its sole and absolute discretion and without any duty to do so, perform, or cause to be performed, any duty or obligation of Trustor under the Ground Lease or related to such easement estate described on Exhibit A hereto. Any payments made or costs or expenses incurred by Beneficiary in connection therewith shall be repaid by Trustor to Beneficiary upon demand, together with interest thereon from the date of the advance until repaid at the Default Rate.

(c) Trustor acknowledges and agrees that no release or forbearance of any of Trustor's obligations under the Ground Lease or otherwise shall release Trustor from any of its obligations under this Security Instrument, including without limitation the performance of all of the terms, provisions, covenants, conditions and agreements contained in the Ground Lease, to be kept, performed and complied with by Trustor therein (except to the extent expressly authorized by this Security Instrument).

(d) Trustor shall, from time to time, use its best efforts to obtain and deliver (or cause to be delivered) to Beneficiary, within ten days after written demand therefor by Beneficiary, an estoppel certificate from Ground Lessor, certifying to such matters as Beneficiary may require, including without limitation, those set forth in the Loan Agreement with respect to the Ground Lease.

(e) Notwithstanding anything contained herein or otherwise to the contrary, Beneficiary shall not have any liability or obligation under the Ground Lease by virtue of its acceptance of this Security Instrument. Trustor acknowledges and agrees that Beneficiary shall be liable for the obligations of the tenant arising under the Ground Lease for only that period of time, if any, during which Beneficiary is in possession of the Property or has acquired, by foreclosure, or otherwise, and is holding, all of Trustor's right, title and interest as tenant under the Ground Lease therein.

(f) Notwithstanding anything contained herein or otherwise to the contrary, Trustor hereby assigns, transfers and sets over to Beneficiary any and all rights and interests that may arise in favor or Trustor in connection with or as a result of the bankruptcy or insolvency of the Ground Lessor under the Ground Lease, including, without limitation, all of Trustor's right, title and interest in, to and under §365 of the Bankruptcy Code (11 U.S.C. §365), as the same may be amended, supplemented or modified from time to time.

(g) Except as provided in the immediately following sentence, it is hereby agreed by the parties that the fee title currently vested in the Ground Lessor under the Ground Lease, and the leasehold estate currently held by Trustor, shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in either the Ground Lessor (or its successors and assigns), Trustor or a third party, whether by purchase or otherwise. If Trustor acquires such fee title or any other estate, title or interest in such property, or any part thereof, the lien of this Security

Instrument shall automatically spread and attach to, cover and be a first lien (subject to Permitted Exceptions) upon such acquired estate, title or interest and the same shall thereupon and thereafter be and become a part of the premises encumbered hereby with the same force and effect as if specifically encumbered herein. Trustor agrees to execute all instruments and documents which Beneficiary may reasonably require to ratify, confirm and further evidence such first lien of Beneficiary on the acquired estate, title or interest. Further, Trustor hereby appoints Beneficiary its true and lawful attorney-in-fact to execute and deliver all such instruments and documents in the name and on behalf of Trustor. This power, being coupled with an interest, shall be irrevocable as long as the indebtedness secured hereby remains unpaid.

ARTICLE 8. MISCELLANEOUS PROVISIONS

8.1 **Notices**. All notices, demands, or other communications under this Security Instrument and the other Loan Documents shall be in writing and shall be delivered to the appropriate party at the address set forth below (subject to change from time to time by written notice to all other parties to this Security Instrument). All notices, demands or other communications shall be considered as properly given if delivered personally or sent by first class United States Postal Service mail, postage prepaid, or by Overnight Express Mail or by overnight commercial courier service, charges prepaid, except that notice of Default may be sent by certified mail, return receipt requested, charges prepaid. Notices so sent shall be effective three Business Days after mailing, if mailed by first class mail, and otherwise upon delivery or refusal; provided, however, that non-receipt of any communication as the result of any change of address of which the sending party was not notified or as the result of a refusal to accept delivery shall be deemed receipt of such communication. For purposes of notice, the address of the parties shall be:

Trustor:	SUNSET GARDENS, LLC 3595 South Main Street Salt Lake City, UT 84115
With a copy to:	David K. Broadbent HOLLAND & HART LLP 222 South Main, Suite 2200 Salt Lake City, Utah 84101
Trustee:	SECURED LAND TITLE 7090 Union Park Avenue, Ste. 425 Midvale, UT 84047
Lender/Beneficiary:	REDEVELOPMENT AGENCY OF MIDVALE CITY 7505 South Holden Street Midvale, UT 84047
With a copy to:	Wm. Shane Topham TOPHAM LEGAL 4930 Fairview Drive Holladay, UT 84117

Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of at least 30 days' prior notice to the other party in the manner set forth hereinabove. Trustor shall forward to Lender, without delay, any notices, letters or other communications delivered to the Property or to Trustor naming Lender or the "Construction Lender" or any similar designation as addressee, or which could reasonably be deemed to affect the

construction of the Improvements or the ability of Trustor to perform its obligations to Lender under the Loan Documents.

8.2 **Attorneys' Fees and Expenses; Enforcement**. If the Note is placed with an attorney for collection or if an attorney is engaged by Lender to exercise rights or remedies or otherwise take actions to collect thereunder or under any other Loan Document, or if suit be instituted for collection, reinforcement of rights and remedies, then in all events, Trustor agrees to pay to Lender all reasonable costs of collection, exercise of remedies or rights or other assertion of claims, including, but not limited to, reasonable attorneys' fees, whether or not court proceedings are instituted, and, where instituted, whether in district court, appellate court, or bankruptcy court. In the event of any legal proceedings, court costs and reasonable attorneys' fees shall be set by the court and not by jury and shall be included in any judgment obtained by Lender.

8.3 **No Waiver**. No previous waiver and no failure or delay by Lender in acting with respect to the terms of the Note or this Security Instrument shall constitute a waiver of any breach, default, or failure of condition under the Note, this Security Instrument or the obligations secured thereby. A waiver of any term of the Note, this Security Instrument or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

8.4 **Severability**. If any provision or obligation under this Security Instrument shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that provision shall be deemed severed from this Security Instrument and the validity, legality and enforceability of the remaining provisions or obligations shall remain in full force as though the invalid, illegal, or unenforceable provision had never been a part of this Security Instrument.

8.5 **Heirs, Successors and Assigns**. Except as otherwise expressly provided under the terms and conditions herein, the terms of this Security Instrument shall bind and inure to the benefit of the heirs, executors, administrators, nominees, successors and assigns of the parties hereto, including, without limitation, subsequent owners of the Property or any part thereof; provided, however, that this Section does not waive or modify the provisions of that certain Section entitled Due on Sale or Encumbrance.

8.6 **Attorney-in-Fact**. Trustor hereby irrevocably appoints and authorizes Lender as Trustor's attorney-in-fact, which agency is coupled with an interest, and as such attorney-in-fact Lender may, without the obligation to do so, execute and/or record in Lender's or Trustor's name any notices, instruments or documents (including, without limitation, preliminary notices, notices of commencement and notices of completion as provided in UTAH CODE ANN. 38-1a-101 *et seq.*) that Lender deems appropriate to protect Lender's interest under any of the Loan Documents.

8.7 **Time**. Time is the essence of each and every term herein.

8.8 **Governing Law; Consent to Jurisdiction**. With respect to matters relating to the creation, perfection and procedures relating to the enforcement of the liens created pursuant to this Security Instrument, this Security Instrument shall be governed by, and construed in accordance with, the laws of the state of Utah, it being understood that, except as expressly set forth above in this paragraph and to the fullest extent permitted by the laws of Utah, the laws of Utah shall govern any and all matters, claims, controversies or disputes arising under or related to this Security Instrument, the relationship of the parties, and/or the interpretation and enforcement of the rights and duties of the parties relating to this Security Instrument, the Loan Agreement and the other Loan Documents

and all of the indebtedness or obligations arising thereunder or hereunder. Trustor hereby consents to the jurisdiction of any federal or state court within Utah having proper venue and also consent to service of process by any means authorized by Utah or federal law.

8.9 **Joint and Several Liability**. The liability of all persons and entities obligated in any manner hereunder and under any of the Loan Documents shall be joint and several.

8.10 **Headings**. All article, section or other headings appearing in this Security Instrument are for convenience of reference only and shall be disregarded in construing this Security Instrument.

8.11 **Counterparts**. To facilitate execution, this document may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signature of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single document. It shall not be necessary in making proof of this document to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

8.12 **Powers of Attorney**. The powers of attorney granted by Trustor to Lender in this Security Instrument shall be unaffected by the disability of the principal so long as any portion of the Loan remains unpaid or unperformed. Lender shall have no obligation to exercise any of the foregoing rights and powers in any event. Lender hereby discloses that it may exercise the foregoing powers of attorney for Lender's benefit, and such authority need not be exercised for Borrower's best interest.

8.13 **Defined Terms**. Unless otherwise defined herein, capitalized terms used in this Security Instrument shall have the meanings attributed to such terms in the Loan Agreement.

8.14 **Lender's Consent**. Wherever in this Security Instrument there is a requirement for Lender's consent and/or a document to be provided or an action taken "to the satisfaction of Lender", it is understood by such phrase that, except as expressly modified herein, Lender shall exercise its consent, right or judgment in a reasonable manner given the specific facts and circumstance applicable at the time.

8.15 **Rules of Construction**. The word "*Borrower*" as used herein shall include both the named Borrower and any other person at any time assuming or otherwise becoming primarily liable for all or any part of the obligations of the named Borrower under the Note and the other Loan Documents. The term "person" as used herein shall include any individual, company, trust or other legal entity of any kind whatsoever. If this Security Instrument is executed by more than one person, the term "*Trustor*" shall include all such persons. The word "*Lender*" as used herein shall include Lender, its successors, assigns and affiliates. The term "*Property*" and "*Collateral*" means all and any part of the Property and Collateral, respectively, and any interest in the Property and Collateral, respectively.

8.16 **Use of Singular and Plural; Gender**. When the identity of the parties or other circumstances make it appropriate, the singular number includes the plural, and the masculine gender includes the feminine and/or neuter.

8.17 **Exhibits, Schedules and Riders**. All exhibits, schedules, riders and other items attached hereto are incorporated into this Security Instrument by such attachment for all purposes.

8.18 **Inconsistencies**. In the event of any inconsistencies between the terms of this Security Instrument and the terms of the Loan Agreement or Note, including without limitation, provisions regarding collection and application of Property revenue, required insurance, tax impounds, and transfers of the Property, the terms of the Loan Agreement or Note, as applicable, shall prevail.

8.19 **Merger**. No merger shall occur as a result of Lender's acquiring any other estate in, or any other lien on, the Property unless Lender consents to a merger in writing and in accordance with the terms of the Loan Agreement.

8.20 **Recourse to Separate Property**. Any married person who executes this Security Instrument as a Trustor agrees that any money judgment which Lender or Trustee obtains pursuant to the terms of this Security Instrument or any other obligation of that married person secured by this Security Instrument may be collected by execution upon that person's separate property, and any community property of which that person is a manager.

8.21 **Waiver of Marshalling Rights**. Trustor, for itself and for all parties claiming through or under Trustor, and for all parties who may acquire a lien on or interest in the Property and Collateral, hereby waives all rights to have the Property and Collateral and/or any other property, which is now or later may be security for any Secured Obligation marshalled upon any foreclosure of the lien of this Security Instrument or on a foreclosure of any other lien or security interest against any security for any of the Secured Obligations. Lender shall have the right to sell, and any court in which foreclosure proceedings may be brought shall have the right to order a sale of, the Property and any or all of the Collateral or other property as a whole or in separate parcels, in any order that Lender may designate.

8.22 **Public Disclosure**. In connection with the Loan, Trustor hereby agrees that Lender and its affiliates may publicly identify details of the Loan and the Loan Documents in public communications of all kinds, including, but not limited to, press releases, newsletters, e-mail, websites or other forms of communication.

8.23 **Integration; Interpretation**. The Loan Documents contain or expressly incorporate by reference the entire agreement of the parties with respect to the matters contemplated therein and supersede all prior negotiations or agreements, written or oral. The Loan Documents shall not be modified except by written instrument executed by all parties. Any reference to the Loan Documents includes any amendments, renewals or extensions now or hereafter approved by Lender in writing. The Loan Documents grant further rights to Lender and contain further agreements and affirmative and negative covenants by Trustor which apply to this Security Instrument and to the Property and Collateral and such further rights and agreements are incorporated herein by this reference. Where Trustor and Borrower are not the same, "*Trustor*" means the owner of the Property in any provision dealing with the Property, and "*Borrower*" means the obligor in any provision dealing with the Secured Obligations.

7.24 **Subordination, Etc**. Lender's rights and Trustor's obligations under this Security Instrument are subject to (a) the Senior Liens, and (b) the terms and conditions of an "Intercreditor and Subordination Agreement" (the "*Intercreditor Agreement*") among Borrower, Lender, Zions Bank, Olene Walker Housing Loan Fund HOME ("*HOME Fund*"), Olene Walker Housing Loan

Fund NHTF ("*NHTF Fund*"), and Salt Lake County, which among other things subordinates the rights of Borrower, Lender, HOME Fund and NHTF Fund to the rights of the holder(s) of the "Senior Loan" as defined in the Intercreditor Agreement.

IN WITNESS WHEREOF, Trustor has duly executed and delivered this Security Instrument as of the date set forth above.

[*Signature page follows*]

TRUSTOR:

SUNSET GARDENS, LLC

By: Sunset Gardens Management, LLC, a Utah limited liability company, its manager

By: Housing Opportunities Inc., a Utah non-profit corporation, its manager

By:_____
Janice Kimball, Executive Director

STATE OF UTAH)
ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this ____ day of September 2022 by **Janice Kimball** as the Executive Director of **Housing Opportunities Inc.**, a Utah non-profit corporation, in its capacity as the manager of **Sunset Gardens Management, LLC**, a Utah non-profit corporation, in its capacity as the manager of **SUNSET GARDENS, LLC**, a Utah limited liability company.

_____
Notary Public

Exhibit to Leasehold Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing

LEGAL DESCRIPTION

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

Beginning at a point on the South line of 7200 South Street said point being South 0°04'00" West 1218.60 feet along the section line to a street monument at the intersection of 7200 South and 700 East and North 89°42'16" West 2225.94 feet along the 7200 South monument line and South 44.00 feet from the northeast Corner of Section 30, Township 2 South, Range 1 East, Salt Lake Base and Meridian, and running; thence South 89°42'16" East 153.35 feet along the south line of said 7200 South; thence South 183.20 feet; thence East 85.89 feet to the west line of Walker Park Lane PUD as found on file in the office of the Salt Lake County Recorder, Book 2008P, Page 194; thence South 0°16'00" West 587.18 feet along said Walker Park Lane PUD to the North line of the Jordan and Salt Lake City Canal; thence South 38°56'45" West 102.32 feet along the north line of said canal to an existing fence line as called for in the Boundary Line Agreement recorded December 27, 1995 as Entry No. 6245052 in Book 7298 at Page 2730; thence North 50°05'48" West 129.29 feet along said fence line to the Southeast Corner of Patricia Ann Cummins property as described in a Warranty Deed recorded March 26, 2002 as Entry No. 8185077 in Book 8580 at Page 1756; thence North 46°04'44" West 101.36 feet along the east line of said Cummins property and along said fence line; thence North 697.50 feet to the point of beginning.

Tax Parcel No.: 22-30-251-136-0000

RECORDED AT THE REQUEST OF
AND WHEN RECORDED RETURN TO:

ZIONS BANCORPORATION, N.A.
DBA CALIFORNIA BANK & TRUST
1900 Main Street, Suite 350
Irvine, CA 92614
Attention: [_____]

Parcel Number: 22-30-251-136-0000

[SPACE ABOVE THE LINE FOR RECORDER'S USE]

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "**Agreement**") is made and entered into as of this [__] day of October, 2022, by SUNSET GARDENS, LLC, a Utah limited liability company ("**Borrower**"), ZIONS BANCORPORATION, N.A. dba CALIFORNIA BANK & TRUST ("**Bank**"), in its capacity as lender, Olene Walker Housing Loan Fund, NHTF ("**Second Lien Lender'**), Olene Walker Housing Loan Fund, HOME ("**Third Lien Lender**"), Redevelopment Agency of Midvale City ("**Fourth Lien Lender**"), and Housing Opportunities, Inc. ("**Fifth Lien Lender**", together with Second Lien Lender, Third Lien Lender, Fourth Lien Lender and Fifth Lien Lender collectively hereinafter referred to as "**Junior Lienholders**").

RECITALS

A. Borrower has a leasehold interest in that certain real property located at 380 East Fort Union Boulevard, Midvale, Utah, which is more particularly described in Exhibit "A" attached hereto and incorporated by this reference (the "**Land**").

B. Pursuant to that certain Building Loan Agreement ("**Loan Agreement**") executed by Borrower and Bank, Bank has agreed to make a loan in the principal amount of Thirteen Million One Hundred Ninety Two Thousand One Hundred Sixty Eight and 00/100 Dollars ($13,192,168.00) (the "**Loan**") to Borrower. The Loan is evidenced by a promissory note ("**Note**") executed by Borrower in favor of Bank in the aggregate principal amount of the Loan, and is further evidenced by the documents described in the Loan Agreement as the "Loan Documents". The Loan Documents provide for Borrower to construct an 89 unit apartment complex and other improvements (collectively, the "**Improvements**") on the Land. The Land and the Improvements are referred to collectively herein as the "**Project**".). As security for the Loan, the Borrower executed that certain Leasehold Trust Deed with Assignment of Rents, Security Agreement and Fixture Filing ("**Deed of Trust**"), executed by Borrower, as Trustor, to Secured Land Title, as trustee, in favor of the Issuer, as beneficiary, encumbering the real property and any and all improvements thereon described in Exhibit A attached hereto. The Loan Agreement, the Note, the Deed of Trust and all other documents entered into in connection with the Loan are hereinafter referred to as the "**Bank Encumbrances**".

C. Second Lien Lender made a loan to Borrower in the original principal amount of $1,000,000 ("**Second Loan**"), which Second Loan is evidenced by that certain Promissory Note dated of even date herewith, and is secured by that certain Trust Deed with Assignment of Rents.

D. Third Lien Lender made a loan to Borrower in the maximum principal amount of $1,000,000 ("**Third Loan**"), which Third Loan is evidenced by that certain Promissory Note dated of even date herewith, and is secured by that certain Trust Deed with Assignment of Rents.

E. Pursuant to that certain Loan Agreement dated of even date herewith, between Borrower and Fourth Lien Lender, Fourth Lien Lender made a loan to Borrower in the maximum principal amount of $1,700,000 ("**Fourth Loan**"), which Fourth Loan is evidenced by that certain Secured Promissory Note, which is secured by that certain Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing.

F. Fifth Lien Lender made a loan to Borrower in the maximum principal amount of $3,600,000 ("**Fifth Loan**", together with the Second Loan, Third Loan and Fourth Loan are hereinafter collectively referred to as the "**Junior Encumbrances**"), which Fifth Loan is evidenced by that certain Subordinate Promissory Note.

G. As a condition of Bank's willingness to enter into the Loan Agreement and for Bank to make the Loan, Bank requires that the Bank Encumbrances be (and at all times remain) a lien or charge upon the Project, prior and superior to the Junior Encumbrances and all indebtedness secured thereby, and that the Junior Lienholders specifically subordinate the lien and charge of the Junior Encumbrances and indebtedness secured thereby to the Bank Encumbrances.

H. The Junior Lienholders and Borrower intend that the Bank Encumbrances shall be and remain at all times a lien or charge upon the Project prior and superior to the Junior Encumbrances and all indebtedness secured thereby. The Junior Lienholders have agreed to specifically subordinate and subject the Junior Encumbrances and all indebtedness secured thereby, to the lien and charge of the Bank Encumbrances.

I. It is to the mutual benefit of the parties hereto that Issuer make the Loan and that Bank purchase the Bonds, and the Junior Lienholders are willing that the Bank Encumbrances shall, when recorded, constitute a lien or charge upon the Project which are prior and superior to the Lien or charge of the Junior Encumbrances.

COVENANTS

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, it is hereby declared, understood and agreed as follows:

1. The foregoing Recitals are hereby incorporated into this Agreement as agreements among the parties.

2. The Bank Encumbrances, and (subject to paragraph 3) any modifications, renewals or extensions thereof that are approved by Junior Lienholders, in each Junior Lienholders' reasonable discretion, and any advances, as permitted in the Note (including interest on such advances), thereunder, or secured thereby, shall be and remain at all times liens or charges on the Project, prior and superior to (a) the Junior Encumbrances and all indebtedness secured thereby, and (b) all loans, grants and advances of

money made pursuant thereto. The Junior Encumbrances and all indebtedness secured thereby, all loans, grants and advances of money made pursuant thereto, are hereby subjected, and made subordinate to the lien of charge of the Bank Encumbrances.

3. This Agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the Junior Encumbrances and all indebtedness secured thereby, and all loans, grants and advances of money made pursuant thereto, to the lien or charge of the Bank Encumbrances, and shall supersede and cancel any prior agreements to subordinate the Junior Encumbrances and all indebtedness secured thereby to the Bank Encumbrances.

4. Junior Lienholders declare, agrees, and acknowledges that:

a. The Junior Lienholders acknowledge all provisions of the Bank Encumbrances.

b. Bank in disbursing the proceeds of the Loan is under no obligation or duty to, nor has Bank represented that it will, see to the application of such proceeds by the person or persons to whom Bank disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in the Loan Agreement or the Deed of Trust shall not defeat the subordination herein made in whole or in part; and

c. The Junior Lienholders intentionally subordinate the Junior Encumbrances and all indebtedness secured thereby, and all loans, grants, and advances of money pursuant thereto, in favor of the lien or charge upon the Project of the Bank Encumbrances ·and understands that in reliance upon, and in consideration of, this 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 subordination.

5. In consideration of the Junior Lienholders' covenants and agreements contained in this Agreement, Senior Lienholder hereby agrees for the benefit of the Junior Lienholders as follows:

a. In the event of any default by Borrower under the Note or the Bank Encumbrances, Senior Lienholder shall provide the Junior Lienholders written notice giving the Junior Lienholders an additional thirty (30) days to cure such default after the Junior Lienholder's receipt of any such notice, prior to the Senior Lienholder filing a notice of default with the Salt Lake County Recorder's Office.

b. Upon a default under the Note or the Bank Encumbrances, Senior Lienholder shall give the Junior Lienholders a right to purchase the Property from the Borrower, at any time after the default under the Bank Encumbrances but prior to a foreclosure sale.

c. Upon the purchase of the property by the Junior Lienholders, the Senior Lienholder shall permit the Junior Lienholders to assume the Borrower's obligations under the Note or the Bank Encumbrances under the original terms and conditions of the Note or the Bank Encumbrances.

d. The Junior Lienholders shall have the same rights as the Borrower's rights to cure the default under the Note or Bank Encumbrances at any time prior to a foreclosure sale under the Deed of Trust.

e. There shall be no material modification of the Note or the Bank Encumbrances without the prior written consent of the Junior Lienholders, which consent shall not be unreasonably withheld or delayed.

f. [Reserved].

g. The Bank agrees that it will not modify the Note or the Bank Encumbrances so as to (i) increase the principal amount of the loan, (ii) increase the interest rate, (iii) decrease the term, or (iv) permit the substitution of the security property, without the prior written consent of the Junior Lienholders.

6. Until the Loan is indefeasibly paid in full in cash and all commitments to lend under the Bank Encumbrances have been terminated, the Junior Lienholders shall not, without prior written consent of Bank, (a) take any enforcement action with respect to the Junior Encumbrances; or (b) except for the Junior Encumbrances**,** obtain or accept any collateral for the Junior Encumbrances. Notwithstanding anything herein to the contrary, no provision herein shall prevent Junior Lienholders from (x) taking action to enforce its rights under this Agreement; or (y) filing proofs of claim against Borrower in any proceeding involving the Borrower. Any distributions or other proceeds of any enforcement action obtained by Junior Lienholders in violation of the foregoing prohibition shall in any event be held in trust for the benefit of Bank and promptly paid or delivered to Bank in the form received until the Loan is indefeasibly paid in full. Borrower hereby covenants, warrants, and represents that it is obligated to, and shall give immediate written notice to Junior Lienholders of any acceleration of the Lon or of every event of default under the Bank Encumbrances.

7. This Agreement shall be binding upon and inure to the benefit of the legal representatives, heirs,. successors and assigns of the parties.

8. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Utah, without giving effect to the conflict of laws principles of said state. Venue shall be in Salt Lake County, Utah.

9. This Agreement may be signed by different parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument All counterparts shall be deemed an original of this Agreement.

10. The Junior Lienholders acknowledges that Senior Lienholder's address for purposes of receiving notice to which it is entitled under this Agreement is as follows:

11. Senior Lienholder acknowledges that the Junior Lienholders' address for purposes of receiving notice to which it is entitled under this Agreement is as follows:

Olene Walker Housing Loan Fund, NHTF
140 East 300 South, First Floor
Salt Lake City, UT 84111

Olene Walker Housing Loan Fund, HOME
140 East 300 South, First Floor
Salt Lake City, UT 84111

Redevelopment Agency of Midvale City

7505 South Holden Street
Midvale, UT 84047

Housing Opportunities, Inc.
3595 S. Main Street
Salt Lake City, UT 84115

12. Each of the parties hereto will, whenever and as often as they shall be requested to do so by the other, execute, acknowledge and deliver, or cause to be executed. acknowledged and delivered, any and all such further instruments and documents as may be reasonably necessary to any out the intent and purpose of this Agreement, and to do any and all further acts reasonably necessary to carry out the intent and purpose of this Agreement.

13. Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

BANK:

ZIONS BANCORPORATION, N.A., DBA
CALIFORNIA BANK & TRUST

By: _____
Name: Anton Bengtson
Title: Senior Vice President

STATE OF _____

COUNTY OF _____

On this, the _____ day of _____, 2022 before me, the undersigned officer, personally appeared Anton Bengtson, who acknowledged himself to be the Senior Vice President of ZIONS BANCORPORATION, N.A., DBA, CALIFORNIA BANK & TRUST, and that he as such Senior Vice President, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the national association by himself as Senior Vice President.

Notary Public

Printed Name: _____

My Commission Expires:

_____

[Signature Page to Subordination Agreement]

BORROWER:

SUNSET GARDENS LLC,
a Utah limited liability company

By: Sunset Gardens Management, LLC,
its managing member

By: Housing Opportunities, Inc.,
its manager

By: _____
Name: Janice Kimball
Title: Executive Director

STATE OF _____

COUNTY OF _____

On this, the ____ day of _____, 2022 before me, the undersigned officer, personally appeared Janice Kimball, who acknowledged herself to be the Executive Director of Housing Opportunities, Inc., manager of Sunset Gardens Management, LLC, managing member of SUNSET GARDENS, LLC, and that she as such Executive Director being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the company.

Notary Public

Printed Name: _____

My Commission Expires:

_____

[Signature Page to Subordination Agreement]

SECOND LIEN LENDER:

UTAH DEPARTMENT OF WORKFORCE SERVICES AND COMMUNITY DEVELOPMENT DIVISION, OLENE WALKER HOUSING LOAN FUND

By: _____
Name: Nathan McDonald
Title: Deputy Director of Department of Workforce Services

STATE OF _____

COUNTY OF _____

On this, the _____ day of _____, 2022 before me, the undersigned officer, personally appeared Nathan McDonald, who acknowledged himself to be the Deputy Director of Department of Workforce Services of UTAH DEPARTMENT OF WORKFORCE SERVICES AND COMMUNITY DEVELOPMENT DIVISION, OLENE WALKER HOUSING LOAN FUND, and that he as such Deputy Director of Department of Workforce Services, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the department by himself as Deputy Director of Department of Workforce Services.

Notary Public

Printed Name: _____

My Commission Expires:

_____

[Signature Page to Subordination Agreement]

THIRD LIEN LENDER:

UTAH DEPARTMENT OF WORKFORCE SERVICES AND COMMUNITY DEVELOPMENT DIVISION, OLENE WALKER HOUSING LOAN FUND

By: _____
Name: Nathan McDonald
Title: Deputy Director of Department of Workforce Services

STATE OF _____

COUNTY OF _____

On this, the _____ day of _____, 2022 before me, the undersigned officer, personally appeared Nathan McDonald, who acknowledged himself to be the Deputy Director of Department of Workforce Services of UTAH DEPARTMENT OF WORKFORCE SERVICES AND COMMUNITY DEVELOPMENT DIVISION, OLENE WALKER HOUSING LOAN FUND, and that he as such Deputy Director of Department of Workforce Services, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the department by himself as Deputy Director of Department of Workforce Services.

Notary Public

Printed Name: _____

My Commission Expires:

_____

[Signature Page to Subordination Agreement]

FOURTH LIEN LENDER:

REDEVELOPMENT AGENCY OF MIDVALE CITY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF _____

COUNTY OF _____

On this, the _____ day of _____, 2022 before me, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of REDEVELOPMENT AGENCY OF MIDVALE CITY, and that he as such _____ being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the _____ by himself as _____.

Notary Public

Printed Name: _____

STATE OF _____

COUNTY OF _____

On this, the _____ day of _____, 2022 before me, the undersigned officer, personally appeared _____, who acknowledged himself to be the _____ of REDEVELOPMENT AGENCY OF MIDVALE CITY, and that he as such _____ being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the _____ by himself as _____.

Notary Public

Printed Name: _____

FIFTH LIEN LENDER:

HOUSING OPPORTUNITES, INC.

By: _____
Name: Janice Kimball
Title: Executive Director

STATE OF _____

COUNTY OF _____

On this, the _____ day of _____, 2022 before me, the undersigned officer, personally appeared Janice Kimball, who acknowledged herself to be the Executive Director of Housing Opportunities, Inc., and that she as such Executive Director, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of Housing Opportunities, Inc. by herself as Executive Director.

Notary Public

Printed Name: _____

[Signature Page to Subordination Agreement]

EXHIBIT "A"
Legal Description