

Prepared by and after recording return to:

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777 S. Flagler Drive, Suite 300 East
West Palm Beach, FL 33401

Freddie Mac Loan Number: _____

Property Name: River Trace Project

SUBORDINATION AGREEMENT

RELATED ENTITY (Seller Loan)

(Direct Purchase of Tax-Exempt Loans)

THIS SUBORDINATION AGREEMENT (“Agreement”) is entered into this 1st day of June, 2017, by and between U.S. BANK NATIONAL ASSOCIATION (“Senior Mortgagee”), and RIVER OAKS HOUSING PARTNERS, LTD. (“Subordinate Mortgagee”).

RECITALS

A. Bradenton Leased Housing Associates III, LLLP (“Borrower”) is the owner of certain land located in Manatee County, Florida, described in Exhibit A (“Land”). The Land is improved with a 178 unit multifamily rental housing project located at 2710 River Circle, Bradenton, Florida 34208 and with 40 single family homes located at 1449 17th Street Circle E, Bradenton, Florida 34205 (collectively, the “River Trace Projects”).

B. The Housing Finance Authority of Manatee County (“Governmental Lender”), the original issuer of the Series A Governmental Note and the Series B Governmental Note, has made two (2) loans to Borrower in the original principal amount of \$23,490,000 (collectively, the “Senior Loans”) upon the terms and conditions of a Project Loan Agreement dated as of April 1, 2017 (“Senior Loan Agreement”) among Governmental Lender, Senior Mortgagee (in its capacity as Fiscal Agent under the Funding Loan Agreement (defined below)) and the Borrower in connection with the Mortgaged Property (as defined below). The Senior Loans are secured by a Series A Mortgage, Security Agreement and Assignment of Rents, Leases and Profits (the “Series A Mortgage”) and a Series B Mortgage, Security Agreement and Assignment of Rents, Leases and Profits (the “Series B Mortgage”), both dated as of June 1, 2017 (collectively, the “Senior Mortgage”) encumbering the Land, the River Trace Projects and related personal and other property described and defined in the Senior Mortgage as the “Mortgaged Property.”

C. Pursuant to a Subordinate Loan Agreement dated as of June 1, 2017 between Governmental Lender and Borrower (“Subordinate Loan Agreement”), Governmental Lender has issued or is issuing its Housing Finance Authority of Manatee County Multifamily Housing

Revenue Note (River Trace Project), Series 2017C in the original principal amount of \$3,124,500 (“Subordinate Issuer Note”) directly to Subordinate Mortgagee in order to provide purchase money financing for Borrower for a portion of the costs of the acquisition of the portion of the Mortgaged Property represented by the River Trace Project (“Subordinate Loan”). The Subordinate Loan is evidenced by a Borrower Subordinate Promissory Note in the original principal amount of \$3,124,500 (“Subordinate Note”) and is or will be secured by a Subordinate Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents dated as of June 1, 2017 (“Subordinate Mortgage”) encumbering all or a portion of the Mortgaged Property. Pursuant to an Assignment of Subordinate Mortgage and Loan Documents dated June 1, 2017, Government Lender has agreed to assign to Subordinate Mortgagee its right, title and interest in and to the Subordinate Loan Agreement, Subordinate Note and Subordinate Mortgage.

D. The Senior Mortgage is or will be recorded in the County Clerk’s Office of Manatee County, Florida (“Recording Office”) prior to recordation of this Agreement. The Subordinate Mortgage is or will be recorded in the Recording Office following the recording of the Senior Mortgage.

E. The Senior Note was assigned by the Governmental Lender to Senior Mortgagee as security for the loan made by the Initial Funding Lender (as defined below) to the Governmental Lender pursuant to the Funding Loan Agreement (the “Funding Loan”). The Senior Mortgage was assigned by the Governmental Lender to Senior Mortgagee as security for the Funding Loan pursuant to an Assignment of Mortgage and Security Documents dated of even date herewith to be recorded contemporaneously herewith.

F. Subject to the terms and conditions of that certain Construction Phase Financing Agreement (the “Construction Phase Financing Agreement”) dated as of June 1, 2017 by and among the Borrower, JPMorgan Chase Bank, N.A., as initial funding lender (“Initial Funding Lender”), Federal Home Loan Mortgage Corporation and Jones Lang LaSalle Multifamily, LLC., as seller/servicer (“Permanent Funding Lender”), Initial Funding Lender shall subsequently deliver, and the Permanent Funding Lender shall purchase, the documents comprising the Funding Loan and, in connection therewith, the Series B Project Note, as defined in the hereinafter referred to Funding Loan Agreement, will be retired and the Series A Project Note, as defined in the hereinafter referred to Funding Loan Agreement and the Series A Mortgage will be amended and restated (“Conversion”).

G. Pursuant to Section 6.03 of the Funding Loan Agreement dated as of June 1, 2017 among the Initial Funding Lender, the Governmental Lender and the Senior Mortgagee (the “Funding Loan Agreement”), the Funding Lender has the right to direct all actions of the Senior Mortgagee with respect to the Senior Mortgage, the Mortgaged Property and the Senior Loan Agreement and, upon Conversion, shall have the right to amend and restate the Series A Project Note and the Series A Mortgage, as well as the right to amend, waive, postpone, extend, renew, replace, reduce or otherwise modify any provision of any of the Senior Loan Documents (as defined herein), without notice to or the consent or joinder of the Subordinate Mortgagee.

H. The execution and delivery of this Agreement is a condition of Funding Lender's consenting to Subordinate Mortgagee's making of the Subordinate Loan and Borrower's granting of the Subordinate Mortgage.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Definitions.** The following terms, when used in this Agreement (including, as appropriate, when used in the above recitals), will have the following meanings.

(a) The terms "Condemnation," "Imposition Reserve Deposits," "Impositions," "Leases," "Rents" and "Restoration," as well as any term used in this Subordination Agreement — Related Entity Agreement and not otherwise defined in this Agreement, will have the meanings given to those terms in the Construction Disbursement Agreement dated as of June 1, 2017 between Funding Lender and Borrower ("Construction Disbursement Agreement") and, subsequent to Conversion, the Continuing Covenant Agreement entered into in connection with the Conversion between the Funding Lender and the Borrower (collectively, and as applicable, the "Continuing Covenant Agreement").

(b) "Bankruptcy Proceeding" means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to Borrower, any guarantor of any of the Senior Indebtedness, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.

(c) "Borrower" means all persons or entities identified as "Borrower" in the first Recital of this Agreement, together with their successors and assigns, and any other person or entity who acquires title to the Mortgaged Property after the date of this Agreement; provided that the term "Borrower" will not include Senior Mortgagee or Funding Lender if Senior Mortgagee or Funding Lender acquires title to the Mortgaged Property.

(d) "Casualty" means the occurrence of damage to or loss of all or any portion of the Mortgaged Property by fire or other casualty.

(e) "Enforcement Action" means any of the following actions taken by or at the direction of Subordinate Mortgagee: the acceleration of all or any part of the Subordinate Indebtedness, the advertising of or commencement of any foreclosure or trustee's sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of Rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Mortgaged Property, the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the Subordinate Note or any other of the Subordinate Loan Documents, the exercising of any banker's lien or rights of set-off or recoupment, or the exercise of any other remedial action against Borrower, any other party liable for any of the Subordinate Indebtedness or obligated under any of the Subordinate Loan Documents, or the Mortgaged Property.

(f) "Enforcement Action Notice" means a written Notice from Subordinate Mortgagee to Funding Lender, given following one or more Subordinate Mortgage Default(s)

and the expiration of any Notice or cure periods provided for such Subordinate Mortgage Default(s) in the Subordinate Loan Documents, setting forth in reasonable detail the Subordinate Mortgage Default(s) and the Enforcement Actions proposed to be taken by Subordinate Mortgagee.

(g) “Funding Lender” shall mean Initial Funding Lender prior to Conversion and Permanent Funding Lender from and after Conversion, together with their respective successors and assigns.

(h) “Governmental Note” means the Series A Governmental Note and the Series B Governmental Note delivered by the Governmental Lender evidencing the Funding Loan.

(i) “Loss Proceeds” means all monies received or to be received under any insurance policy, from any condemning authority, or from any other source, as a result of any Condemnation or Casualty.

(j) “Notice” is defined in Section 6(d).

(k) “Regulatory Agreement” means the Land Use Restriction Agreement, dated as of June 1, 2017, among the Governmental Lender, Borrower and Senior Mortgagee, as Fiscal Agent, as amended or supplemented from time to time.

(l) “Senior Indebtedness” means the “Indebtedness” of Borrower as evidenced by the Senior Loan Documents.

(m) “Senior Loan Documents” means (i) prior to Conversion, the “Project Loan Documents” as defined in the Funding Loan Agreement, and (ii) subsequent to Conversion, the “Financing Documents” as defined in the Continuing Covenant Agreement.

(n) “Senior Mortgage Default” means any act, failure to act, event, condition, or occurrence which constitutes, or which with the giving of Notice or the passage of time, or both, would constitute, an “Event of Default” as defined in the Continuing Covenant Agreement.

(o) “Senior Mortgagee” means U.S. Bank National Association. When any other person or entity becomes the legal holder of the Senior Note, such other person or entity automatically will become Senior Mortgagee.

(p) “Senior Note” means (i) prior to Conversion, the Series A Project Note and the Series B Project Note and (ii) subsequent to Conversion, the Project Note as defined in the Continuing Covenant Agreement.

(q) “Subordinate Indebtedness” means all sums evidenced or secured or guaranteed by, or otherwise due and payable to Subordinate Mortgagee pursuant to, the Subordinate Loan Documents.

(r) “Subordinate Loan Documents” means the Subordinate Mortgage, the Subordinate Note, Subordinate Issuer Note, the Subordinate Loan Agreement, Regulatory

Agreement and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness, as the same may be amended.

(s) “Subordinate Mortgage Default” means any act, failure to act, event, condition, or occurrence which allows (but for any contrary provision of this Agreement), or which with the giving of Notice or the passage of time, or both, would allow (but for any contrary provision of this Agreement), Subordinate Mortgagee to take an Enforcement Action.

(t) “Subordinate Mortgagee” means the person or entity named as such in the first paragraph of this Agreement and any other person or entity who becomes the legal holder of the Subordinate Note after the date of this Agreement.

(u) “Subordinate Note” means the promissory note or other evidence of the Subordinate Indebtedness referred to in the Subordinate Mortgage and any replacement of the Subordinate Note.

2. **Subordination of Subordinate Indebtedness.**

(a) The Subordinate Indebtedness is and will at all times continue to be subject and subordinate in right of payment to the prior payment in full of the Senior Indebtedness.

(b) Until the occurrence of a Senior Mortgage Default, Subordinate Mortgagee will be entitled to retain for its own account all payments made on account of the principal of and interest on the Subordinate Indebtedness in accordance with the requirements of the Subordinate Loan Documents; provided no such payment is made more than 10 days in advance of its due date. However, immediately upon Subordinate Mortgagee’s receipt of Notice or actual knowledge of a Senior Mortgage Default, Subordinate Mortgagee will not accept any payments on account of the Subordinate Indebtedness, and the provisions of Section 2(c) of this Agreement will apply. Subordinate Mortgagee acknowledges that a Subordinate Mortgage Default constitutes a Senior Mortgage Default. Accordingly, upon the occurrence of a Subordinate Mortgage Default, Subordinate Mortgagee will be deemed to have actual knowledge of a Senior Mortgage Default.

(c) If (i) Subordinate Mortgagee receives any payment, property, or asset of any kind or in any form on account of the Subordinate Indebtedness (including any proceeds from any Enforcement Action) after a Senior Mortgage Default of which Subordinate Mortgagee has actual knowledge (or is deemed to have actual knowledge as provided in 2(b) above) or has been given Notice, or (ii) Subordinate Mortgagee receives, voluntarily or involuntarily, by operation of law or otherwise, any payment, property, or asset in or in connection with any Bankruptcy Proceeding, such payment, property, or asset will be received and held in trust for Funding Lender. Subordinate Mortgagee will promptly remit, in kind and properly endorsed as necessary, all such payments, properties, and assets to Funding Lender. Funding Lender will apply any payment, asset, or property so received from Subordinate Mortgagee to the Senior Indebtedness in such order, amount (with respect to any asset or property other than immediately available funds), and manner as Funding Lender determines in its sole and absolute discretion. Subordinate Mortgagee designates and appoints, irrevocably and couple with an interest,

Funding Lender (and all persons and entities designated by Funding Lender) as Subordinate Mortgagee's true and lawful attorney-in-fact with power to endorse the name of Subordinate Mortgagee upon any check or other instrument and to take any action necessary to collect any payment, property, or asset referred to in, or otherwise effectuate the provisions of, this Section 2(c).

(d) Without limiting the complete subordination of the Subordinate Indebtedness to the payment in full of the Senior Indebtedness, in any Bankruptcy Proceeding, upon any payment or distribution (whether in cash, property, securities, or otherwise) to creditors (i) the Senior Indebtedness will first be paid in full in cash before Subordinate Mortgagee will be entitled to receive any payment or other distribution on account of or in respect of the Subordinate Indebtedness, and (ii) until all of the Senior Indebtedness is paid in full in cash, any payment or distribution to which Subordinate Mortgagee would be entitled but for this Agreement (whether in cash, property, or other assets) will be made to Funding Lender.

(e) The subordination of the Subordinate Indebtedness will continue if any payment under the Senior Loan Documents (whether by or on behalf of Borrower, as proceeds of security or enforcement of any right of set-off or otherwise) is for any reason repaid or returned to Borrower or its insolvent estate, or avoided, set aside or required to be paid to Borrower, a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law. In such event, any or all of the Senior Indebtedness originally intended to be satisfied will be deemed to be reinstated and outstanding to the extent of any repayment, return, or other action, as if such payment on account of the Senior Indebtedness had not been made.

3. **Subordination of Subordinate Loan Documents.**

(a) Each of the Subordinate Loan Documents is, and will at all times remain, subject and subordinate in all respects to the liens, terms, covenants, conditions, operations, and effects of each of the Senior Loan Documents.

(b) The subordination of the Subordinate Loan Documents and of the Subordinate Indebtedness will apply and continue notwithstanding (i) the actual date and time of execution, delivery, recording, filing or perfection of each of the Senior Loan Documents and of each of the Subordinate Loan Documents, (ii) the availability of any collateral to Senior Mortgagee or Funding Lender, including the availability of any collateral other than the Mortgaged Property and (iii) the amendment and restatement of the Series A Project Note and the Series A Mortgage at Conversion.

(c) By reason of, and without in any way limiting, the full subordination of the Subordinate Indebtedness and the Subordinate Loan Documents provided for in this Agreement, all rights and claims of Subordinate Mortgagee under the Subordinate Loan Documents in or to all or any portion of the Mortgaged Property under the Series A Mortgage are expressly subject and subordinate in all respects to the rights and claims of Senior Mortgagee or Funding Lender under the Senior Loan Documents in or to the Mortgaged Property.

(d) If Subordinate Mortgagee, by indemnification, subrogation or otherwise, acquires any lien, estate, right or other interest in any of the Mortgaged Property under the Series

A Mortgage, then that lien, estate, right or other interest will be fully subject and subordinate to the receipt by Senior Mortgagee or Funding Lender of payment in full of the Senior Indebtedness, and to the Senior Loan Documents, to the same extent as the Subordinate Indebtedness and the Subordinate Loan Documents are subordinate pursuant to this Agreement.

(e) In confirmation, and not as a condition, of the subordination of the Subordinate Indebtedness and the Subordinate Loan Documents provided for in this Agreement, Subordinate Mortgagee will place on or attach to the Subordinate Note the following Notice, and will provide Funding Lender with a copy of the Subordinate Note showing such Notice:

(f) “The right of the holder of this promissory note to payment of any of the indebtedness evidenced by this promissory note is and will at all times be subject to that certain Subordination Agreement dated June 1, 2017 among U.S. Bank National Association and the holder of this promissory note on the date of the Subordination Agreement until the indebtedness evidenced by the Governmental Notes has been fully repaid.”

4. **Additional Representations and Covenants.**

(a) Subordinate Mortgagee represents and warrants that each of the following is true:

(i) Subordinate Mortgagee is now the owner and holder of the Subordinate Loan Documents.

(ii) The Subordinate Loan Documents are now in full force and effect.

(iii) The Subordinate Loan Documents have not been modified or amended.

(iv) No Subordinate Mortgage Default has occurred.

(v) The current unpaid principal balance of the Subordinate Indebtedness is [\$3,124,500.]

(vi) No scheduled monthly payments under the Subordinate Note have been or will be prepaid.

(vii) None of the rights of Subordinate Mortgagee under any of the Subordinate Loan Documents are subject to the rights of any third parties, by way of subrogation, indemnification or otherwise.

(b) Without the prior written consent of Funding Lender in each instance, Subordinate Mortgagee will not do any of the following:

(i) Amend, modify, waive, extend, renew, or replace any provision of any of the Subordinate Loan Documents.

(ii) Pledge, assign, transfer, convey, or sell any interest in the Subordinate Indebtedness or any of the Subordinate Loan Documents.

(iii) Accept any payment on account of the Subordinate Indebtedness other than a regularly scheduled payment of interest or principal and interest made not earlier than 10 days prior to its due date.

(iv) Take any action which has the effect of increasing the Subordinate Indebtedness.

(v) Appear in, defend or bring any action to protect Subordinate Mortgagee's interest in the Mortgaged Property.

(vi) Take any action concerning environmental matters affecting the Mortgaged Property.

(c) Subordinate Mortgagee will deliver to Funding Lender a copy of each Notice received or delivered by Subordinate Mortgagee pursuant to the Subordinate Loan Documents or in connection with the Subordinate Indebtedness, simultaneously with Subordinate Mortgagee's delivery or receipt of such Notice. Funding Lender will deliver to Subordinate Mortgagee in the manner required in Section 5(b) a copy of each Notice of a Senior Mortgage Default delivered to Borrower by Funding Lender. Neither giving nor failing to give a Notice to Funding Lender or Subordinate Mortgagee pursuant to this Section 4(c) will affect the validity of any Notice given by Funding Lender or Subordinate Mortgagee to Borrower, as between Borrower and such of Funding Lender or Subordinate Mortgagee as provided the Notice to Borrower.

(d) Without the prior written consent of Funding Lender in each instance, Subordinate Mortgagee will not commence, or join with any other creditor in commencing, any Bankruptcy Proceeding. In the event of a Bankruptcy Proceeding, Subordinate Mortgagee will not vote affirmatively in favor of any plan of reorganization or liquidation unless Funding Lender has also voted affirmatively in favor of such plan. In the event of any Bankruptcy Proceeding, Subordinate Mortgagee will not contest the continued accrual of interest on the Senior Indebtedness, in accordance with and at the rates specified in the Senior Loan Documents, both for periods before and for periods after the commencement of such Bankruptcy Proceedings.

(e) Whenever the Subordinate Loan Documents give Subordinate Mortgagee approval or consent rights with respect to any matter, and a right of approval or consent with regard to the same or substantially the same matter is also granted to Senior Mortgagee or Funding Lender pursuant to the Senior Loan Documents or otherwise, Funding Lender's approval or consent or failure to approve or consent, as the case may be, will be binding on Subordinate Mortgagee. None of the other provisions of this Section 4 are intended to be in any way in limitation of the provisions of this Section 4(e).

(f) All requirements pertaining to insurance under the Subordinate Loan Documents (including requirements relating to amounts and types of coverages, deductibles and special endorsements) will be deemed satisfied if Borrower complies with the insurance

requirements under the Senior Loan Documents and of Funding Lender. All original policies of insurance required pursuant to the Senior Loan Documents will be held by Funding Lender. Nothing in this Section 4(f) will preclude Subordinate Mortgagee from requiring that it be named as a mortgagee and loss payee, as its interest may appear, under all policies of property damage insurance maintained by Borrower with respect to the Mortgaged Property, provided such action does not affect the priority of payment of Loss Proceeds, or that Subordinate Mortgagee be named as an additional insured under all policies of liability insurance maintained by Borrower with respect to the Mortgaged Property.

(g) In the event of a Condemnation or a Casualty, all of the following provisions will apply:

(i) The rights of Subordinate Mortgagee (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a Condemnation or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Condemnation or a Casualty, will be and remain subordinate in all respects to Senior Mortgagee's and Funding Lender's rights under the Senior Loan Documents with respect thereto, and Subordinate Mortgagee will be bound by any settlement or adjustment of a claim resulting from a Condemnation or a Casualty made by Funding Lender.

(ii) All Loss Proceeds will be applied either to payment of the costs and expenses of Restoration or to payment on account of the Senior Indebtedness, as and in the manner determined by Funding Lender in its sole discretion.

(iii) If Funding Lender applies or releases Loss Proceeds for the purposes of Restoration of the Mortgaged Property, then Subordinate Mortgagee will release for such purpose all of its right, title and interest, if any, in and to such Loss Proceeds. If Funding Lender holds Loss Proceeds, or monitors the disbursement thereof, Subordinate Mortgagee will not do so. Nothing contained in this Agreement will be deemed to require Funding Lender to act for or on behalf of Subordinate Mortgagee in connection with any Restoration or to hold or monitor any Loss Proceeds in trust for or otherwise on behalf of Subordinate Mortgagee, and all or any Loss Proceeds may be commingled with any funds of Funding Lender.

(iv) If Funding Lender elects to apply Loss Proceeds to payment on account of the Senior Indebtedness, and if the application of such Loss Proceeds results in the payment in full of the entire Senior Indebtedness, any remaining Loss Proceeds held by Funding Lender will be paid to Subordinate Mortgagee unless another party has asserted a claim to the remaining Loss Proceeds.

(h) Subordinate Mortgagee will enter into attornment and non-disturbance agreements with all tenants under commercial or retail Leases, if any, to whom Senior Mortgagee or Funding Lender has granted attornment and non-disturbance, on the same terms and conditions given by Senior Mortgagee or Funding Lender.

(i) Except as provided in this Section 4(i), and regardless of any contrary provision in the Subordinate Loan Documents, Subordinate Mortgagee will not collect payments for the purpose of escrowing for any cost or expense related to the Mortgaged Property or for

any portion of the Subordinate Indebtedness. However, if Funding Lender is not collecting escrow payments for one or more Impositions, Subordinate Mortgagee may collect escrow payments for such Impositions; provided that all payments so collected by Subordinate Mortgagee will be held in trust by Subordinate Mortgagee to be applied only to the payment of such Impositions.

(j) Within 10 days after request by Funding Lender, Subordinate Mortgagee will furnish Funding Lender with a statement, duly acknowledged and certified setting forth the then-current amount and terms of the Subordinate Indebtedness, confirming that there exists no default under the Subordinate Loan Documents (or describing any default that does exist), and certifying to such other information with respect to the Subordinate Indebtedness as Funding Lender may request.

(k) Senior Mortgagee or Funding Lender may amend, waive, postpone, extend, renew, replace, reduce or otherwise modify any provision of any of the Senior Loan Documents without the necessity of obtaining the consent of or providing Notice to Subordinate Mortgagee, and without affecting any of the provisions of this Agreement.

5. Default Under Loan Documents.

(a) Funding Lender will have the right, but not the obligation, to cure any Subordinate Mortgage Default, until such time, if ever, as Funding Lender delivers to Subordinate Mortgagee Funding Lender's Notice of written consent to an Enforcement Action described in an Enforcement Action Notice given by Subordinate Mortgagee as a consequence of a Subordinate Mortgage Default. Subordinate Mortgagee acknowledges that all amounts advanced or expended by Funding Lender to cure a Subordinate Mortgage Default will be added to and become a part of the Senior Indebtedness and will be secured by the lien of the Senior Mortgage.

(b) Funding Lender will deliver to Subordinate Mortgagee a copy of any Notice sent by Funding Lender to Borrower of a Senior Mortgage Default within 5 Business Days of sending such Notice to Borrower. Failure of Funding Lender to send Notice to Subordinate Mortgagee will not prevent the exercise of Funding Lender's rights and remedies under the Senior Loan Documents. Subordinate Mortgagee will have the right, but not the obligation, to cure any Senior Mortgage Default during such period of time, if any, as Borrower is permitted by the terms of the Senior Loan Documents to cure a Senior Mortgage Default. Subordinate Mortgagee will not be subrogated to the rights of Senior Mortgagee or Funding Lender under the Senior Loan Documents by reason of Subordinate Mortgagee having cured any Senior Mortgage Default.

(c) In the event of a Subordinate Mortgage Default, Subordinate Mortgagee will not commence any Enforcement Action until after (i) Subordinate Mortgagee has delivered to Funding Lender an Enforcement Action Notice with respect to such Enforcement Action, and (ii) Funding Lender has delivered to Subordinate Mortgagee Funding Lender's written consent to such Enforcement Action by Subordinate Mortgagee. Funding Lender will advise Subordinate Mortgagee whether Funding Lender consents to the Enforcement Action by Subordinate Mortgagee within 90 days following Funding Lender's receipt of the Enforcement Action Notice

(failure of Funding Lender to provide written consent to the Enforcement Action within such 90-day period constitutes Funding Lender's refusal of such consent). Subordinate Mortgagee acknowledges that Funding Lender may grant or refuse consent to Subordinate Mortgagee's Enforcement Action in Funding Lender's sole and absolute discretion. Any Enforcement Action on the part of Subordinate Mortgagee will be subject to the provisions of this Agreement. Subordinate Mortgagee acknowledges that the provisions of this Section 5(c) are fair and reasonable under the circumstances, that Subordinate Mortgagee has received a substantial benefit from Senior Mortgagee having granted its consent to the Subordinate Mortgage, and that Senior Mortgagee would not have granted such consent without the inclusion of these provisions in this Agreement.

(d) Senior Mortgagee or Funding Lender may pursue all rights and remedies available to it under the Senior Loan Documents, at law, or in equity, regardless of any Enforcement Action Notice or Enforcement Action by Subordinate Mortgagee. No action or failure to act on the part of Senior Mortgagee or Funding Lender in the event of a Subordinate Mortgage Default or commencement of an Enforcement Action will constitute a waiver on the part of Senior Mortgagee or Funding Lender of any provision of the Senior Loan Documents or this Agreement.

(e) If the Enforcement Action taken by Subordinate Mortgagee is the appointment of a receiver for any of the Mortgaged Property, all of the Rents, issues, profits and proceeds collected by the receiver will be paid and applied by the receiver solely to and for the benefit of Senior Mortgagee or Funding Lender until the Senior Indebtedness will have been paid in full.

(f) Subordinate Mortgagee consents to and authorizes the release by Senior Mortgagee or Funding Lender of all or any portion of the Mortgaged Property from the lien, operation, and effect of the Senior Loan Documents. Subordinate Mortgagee waives to the fullest extent permitted by law, all equitable or other rights it may have (i) in connection with the release of all or any portion of the Mortgaged Property, (ii) to require the separate sale of any portion of the Mortgaged Property relating to the River Trace Project, (iii) to require Senior Mortgagee or Funding Lender to exhaust its remedies against all or any portion of the Mortgaged Property or any combination of portions of the Mortgaged Property or any other collateral for the Senior Indebtedness, or (iv) to require Senior Mortgagee or Funding Lender to proceed against Borrower, any other party that may be liable for any of the Senior Indebtedness (including any general partner of Borrower if Borrower is a partnership), all or any portion of the Mortgaged Property or combination of portions of the Mortgaged Property or any other collateral, before proceeding against all or such portions or combination of portions of the Mortgaged Property as Senior Mortgagee or Funding Lender determines. Subordinate Mortgagee consents to and authorizes, at the option of Senior Mortgagee or Funding Lender, the sale, either separately or together, of all or any portion of the Mortgaged Property.

(g) Subordinate Mortgagee acknowledges that without Notice to Subordinate Mortgagee and without affecting any of the provisions of this Agreement, Senior Mortgagee or Funding Lender may (i) extend the time for or waive any payment or performance under the Senior Loan Documents; (ii) modify or amend in any respect any provision of the Senior Loan

Documents; and (iii) modify, exchange, surrender, release, and otherwise deal with any additional collateral for the Senior Indebtedness.

(h) If any party other than Borrower (including Senior Mortgagee or Funding Lender) acquires title to any of the Mortgaged Property pursuant to a foreclosure of the Series A Mortgage conducted in accordance with applicable law, the lien, operation, and effect of the Subordinate Mortgage and other Subordinate Loan Documents automatically will terminate with respect to such Mortgaged Property.

6. **Miscellaneous Provisions.**

(a) If there is any conflict or inconsistency between the terms of the Subordinate Loan Documents and the terms of this Agreement, then the terms of this Agreement will control.

(b) This Agreement will be binding upon and will inure to the benefit of the respective legal successors and permitted assigns of the parties hereto. No other party will be entitled to any benefits hereunder, whether as a third-party beneficiary or otherwise.

(c) This Agreement does not constitute an approval by Senior Mortgagee or Funding Lender of the terms of the Subordinate Loan Documents.

(d) Each Notice, request, demand, consent, approval or other communication (collectively, "Notices," and singly, a "Notice") which is required or permitted to be given pursuant to this Agreement will be in writing and will be deemed to have been duly and sufficiently given if (i) personally delivered with proof of delivery (any Notice so delivered will be deemed to have been received at the time so delivered), or (ii) sent by a national overnight courier service (such as FedEx) designating earliest available delivery (any Notice so delivered will be deemed to have been received on the next Business Day following receipt by the courier), or (iii) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any Notice so sent will be deemed to have been received on the date of delivery as confirmed by the return receipt), addressed to the respective parties as follows:

(i) Notices intended for Senior Mortgagee will be addressed to:

U.S. Bank National Association
Corporate Trust Services
60 Livingston Avenue, 3rd Floor
EP-MN-WS3C
St. Paul, Minnesota 55107
Attention: Dan Sheff
[Email: dan.sheff@usbank.com](mailto:dan.sheff@usbank.com)
Telephone: (651) 466-6302

(ii) Notices intended for Subordinate Mortgagee will be addressed to:

River Oaks Housing Partners, Ltd.
2905 Northwest Blvd, Suite 150
Plymouth, Minnesota 55441
Attention: Mark S. Moorhouse
Email: m Moorhoues@dominiuminc.com
Telephone: (763) 354-5500
and
Attention: Christopher P. Barnes
Email: cbarnes@dominiuminc.com
Telephone: (763) 354-5610

addressed to: (iii) Prior to Conversion, notices intended for Funding Lender will be

JPMorgan Chase Bank, N.A.
Community Development Group
10 South Dearborn Street
Chicago, Illinois 60603
Attention: John D. Bernhard
Telephone: (312) 325-5032

will be addressed to: (iv) Subsequent to Conversion, notices intended for Funding Lender

Jones Lang LaSalle Multifamily, LLC
2177 Youngman Avenue, Suite 100
St. Paul, Minnesota 55116
Attention:
Re: River Trace Project
Facsimile: (817) 310-3817

and a copy of any notices of Default sent to:

Katten Muchin Rosenman LLP
2900 K Street NW, North tower – Suite 200
Washington DC 20007
Attention: Michael Murphy
Re: River Trace Project
Email: Michael.murphy@kattenlaw.com
Telephone: (202) 625-3700
Facsimile: (202) 339-8256

If to Freddie Mac, to:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B4P
McLean, Virginia 22102
Attention: Multifamily Operations — Loan Accounting
[Email: mfla@freddiemac.com](mailto:mfla@freddiemac.com)
Telephone: (703) 714-4177

With a copy to:

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General Counsel — Multifamily
Legal Division
Email: Joshua.schonfeld@freddiemac.com
Telephone: (703) 903-2000

Any party, by Notice given pursuant to this Section, may change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses, for its Notices, but Notice of a change of address will only be effective upon receipt. Neither party will refuse or reject delivery of any Notice given in accordance with this Section.

(e) Nothing in this Agreement or in any of the Senior Loan Documents or Subordinate Loan Documents will be deemed to constitute Senior Mortgagee or Funding Lender as a joint venturer or partner of Subordinate Mortgagee.

(f) Upon Notice from Funding Lender, Subordinate Mortgagee will execute and deliver such additional instruments and documents, and will take such actions, as are required by Funding Lender in order to further evidence or implement the provisions and intent of this Agreement.

(g) This Agreement will be governed by the laws of the State in which the Land is located.

(h) If any one or more of the provisions contained in this Agreement, or any application of any such provisions, is invalid, illegal, or unenforceable in any respect, the validity, legality, enforceability, and application of the remaining provisions contained in this Agreement will not in any way be affected or impaired.

(i) The term of this Agreement will commence on the date of this Agreement and will continue until the earliest to occur of the following events: (i) the payment of all of the Senior Indebtedness; provided that this Agreement will be reinstated in the event any payment on account of the Senior Indebtedness is avoided, set aside, rescinded or repaid by Senior Mortgagee or Funding Lender as described in Section 2(e) of this Agreement, (ii) the payment of all of the Subordinate Indebtedness other than by reason of payments which Subordinate Mortgagee is obligated to remit to Senior Mortgagee or Funding Lender pursuant to this

Agreement, (iii) the acquisition by Senior Mortgagee or Funding Lender or by a third party purchaser of title to the Mortgaged Property pursuant to a foreclosure of, deed in lieu of foreclosure, or trustee's sale or other exercise of a power of sale or similar disposition under the Senior Mortgage; or (iv) with the prior written consent of Funding Lender, without limiting the provisions of Section 5(d), the acquisition by Subordinate Mortgagee of title to the Mortgaged Property subject to the Senior Mortgage pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale under) the Subordinate Mortgage.

(j) No failure or delay on the part of any party to this Agreement in exercising any right, power, or remedy under this Agreement will operate as a waiver of such right, power, or remedy, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power or remedy under this Agreement.

(k) Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief.

(l) This Agreement shall inure to the benefit of any subsequent holder of the Senior Indebtedness.

(m) This Agreement may be amended, changed, modified, altered or terminated only by a written instrument or written instruments signed by the parties to this Agreement.

(n) This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

(o) Notwithstanding anything herein to the contrary, pursuant to Section 6.03 of the Funding Loan Agreement, all acts, consents, approvals and undertakings of Senior Mortgagee hereunder shall be solely at the written direction of the Funding Lender. The parties acknowledge and agree that Funding Lender is a third party beneficiary of this Agreement, with full rights as such.

[Signature and acknowledgment pages follow]

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

SENIOR MORTGAGEE:

U.S. BANK NATIONAL ASSOCIATION

WITNESSES:

Print: _____

Print: _____

By: _____
Name: Dan Sheff
Title: Vice President

STATE OF MINNESOTA)
) ss:
COUNTY OF RAMSEY)

I certify that the following person personally appeared before me this ____ day of June, 2017, and he has acknowledged to me that he signed the foregoing document in the capacity stated: Dan Sheff, Vice President of U.S. BANK NATIONAL ASSOCIATION.

Date: _____

Notary Public
Printed Name _____

(Official Seal)

WITNESSES:

SUBORDINATE MORTGAGEE:

RIVER OAKS HOUSING PARTNERS,
LTD.

Print: _____

By: _____

Name: _____

Title: _____

Print: _____

STATE OF _____)
) ss:
COUNTY OF _____)

I certify that the following person(s) personally appeared before me this ____ day of
June, 2017, and each acknowledging to me that he or she signed the foregoing document in the
capacity stated: _____, _____ of _____.

Date: _____

Notary Public

Printed Name _____

(Official Seal)

CONSENT OF BORROWER

Borrower acknowledges receipt of a copy of this Subordination Agreement, dated June __, 2016, by and among U.S. Bank National Association, River Oaks Housing Partners, Ltd. and Bradenton Leased Housing Associates III, LLLP and consents to the agreement of the parties set forth in this Agreement.

WITNESSES:

BRADENTON LEASED HOUSING ASSOCIATES III, LLLP

By: BRADENTON LEASED HOUSING ASSOCIATES III, LLC, a Minnesota limited liability company, its General Partner

Print: _____

By: _____
Name: Christopher P. Barnes
Title: Vice President

Print: _____

STATE OF MINNESOTA)
) ss:
COUNTY OF HENNEPIN)

I certify that the following person(s) personally appeared before me this ____ day of June, 2017, and each acknowledging to me that he or she signed the foregoing document in the capacity stated: Christopher P. Barnes, Vice President of Bradenton Leased Housing Associates III, LLC, general partner of BRADENTON LEASED HOUSING ASSOCIATES III, LLLP.

Date: _____

Notary Public
Printed Name _____

(Official Seal)

EXHIBIT A

LEGAL DESCRIPTIONS OF RIVER TRACE APARTMENTS PROJECT AND RIVER TRACE HOMES PROJECT

All that certain real property situated in Manatee County, Florida, described as follows:

Parcel 1:

Lots 1, 2 and 4, of FAIR OAKS, of the SW 1/4 of the NW 1/4 of Section 32, Township 34 South, Range 18 East, of the Tallahassee Meridian; as per Plat thereof, recorded in Plat Book 1, Page 171, of the Public Records of Manatee County, Florida.

LESS: Lands lying within the former East and West railway right-of-way described in Deed Book 403, Page 217.

Parcel 2:

Commencing at the NE corner of Lot 3 of the SW 114 of the NW 1/4 of Section 32, Township 34 South, Range 18 East of the Tallahassee Meridian, of the subdivision of FAIR OAKS, as recorded in Plat Book 1, Page 171, of the Public Records of Manatee County Florida, thence Westerly 322.50 feet to the NE corner of lands conveyed by Deed recorded in Official Records Book 707, Page 476, of said Public Records thence South 330.00 feet to the South boundary line of said Lot 3 and the SE corner of abutting lands conveyed to Laurence R. Riddick, thence Easterly 322.50 feet to the SE corner of said Lot 3, thence Northerly 330.00 feet to the Point of Beginning.

Parcel 3:

The South 165.00 feet of the West one-half of Lot 3 of the SW 1/4 of the NW 114 of Section 32, Township 34 South, Range 18 East of the Tallahassee Meridian, a subdivision of FAIR OAKS as recorded in Plat Book 1, Page 171, of the Public Records of Manatee County, Florida.

LESS: Right-of-way of 27th Street East described in Order of Taking recorded in Official Records Book 275, Page 402.

Parcel 4:

Lots 1 through 32, inclusive, Block A, and Lots 1 through 8, inclusive, Block B, Manatee Pond Subdivision, according to the map or plat thereof, as recorded in Plat Book 29, Pages 98, 99 and 100, of the Public Records of Manatee County, Florida.

Parcel 5:

The North 165 feet of the West One-half (1/2) of Lot 3 of the SW 1/4 of the NW 1/4 of Section 32, Township 34 South, Range 18 East, at the Tallahassee Meridian, a Subdivision of Fair Oaks, as recorded in Plat Book 1, Page 171, of the Public Records of Manatee County, Florida; LESS road right of way off the West side of said properties.