

THIS INSTRUMENT PREPARED BY,
AND AFTER RECORDING RETURN TO:

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150 W. Flagler Street, Suite 2200
Miami, FL 33130

SUBORDINATION AGREEMENT
(Pinellas County – Penny Loan)

THIS SUBORDINATION AGREEMENT (this “**Agreement**”) is entered into as of February 8, 2024, by and among (i) U.S. Bank Trust Company, National Association, a national banking association (the “**Fiscal Agent**”); (ii) TD Bank, N.A., a national banking association (“**Funding Lender**”, and together with Fiscal Agent, collectively, the “**Senior Lender**”), acting for itself and as agent for THE TORONTO-DOMINION BANK (“**Affiliate Counterparty**”), (iii) Pinellas County, a political subdivision of the State of Florida (the “**Subordinate Lender**”); and (iv) Blue Pinellas 2, LLC, a Florida limited liability company (the “**Borrower**”).

Recitals

A. Borrower has requested, and the Funding Lender has agreed to make a loan to the Housing Finance Authority of Pinellas County, Florida, a public body corporate and politic organized under the existing laws of the State of Florida (the “**Governmental Lender**”) in the aggregate principal amount of up to \$13,750,000 (the “**Funding Loan**”), the proceeds of which shall be used by the Governmental Lender to fund a loan to the Borrower in the principal amount of up to \$13,750,000 (the “**Borrower Loan**”, and together with the Funding Loan, collectively, the “**Senior Loan**”), the proceeds of which shall be used to provide funds to finance a portion of the costs of construction of an 66-unit affordable workforce multi-family housing project (the “**Project**”), generally known as Skyway Lofts II located in the City of St. Petersburg, Pinellas County, Florida, and more particularly described on Exhibit “A” attached hereto and made a part hereof (the “**Property**”).

B. The Funding Loan is evidenced by a certain Housing Finance Authority of Pinellas County, Florida Multifamily Housing Revenue Note Series 2024 (Skyway Lofts II), given by Governmental Lender in favor of Funding Lender dated February 8, 2024 (as may be modified, increased, amended, restated, or replaced from time to time, the “**Governmental Note**”) and advanced in accordance with a certain Funding Loan Agreement by and among the Funding Lender, the Governmental Lender and the Fiscal Agent dated as of February 8, 2024 (the “**Funding Loan Agreement**”) and a certain Construction Funding Agreement between the Funding Lender and the Borrower dated as of the date hereof (the “**Construction Funding Agreement**”).

C. The Borrower Loan is evidenced by a certain Multifamily Promissory Note given by the Borrower in favor of the Governmental Lender dated February 8, 2024 (as may be modified, increased amended, restated, or replaced from time to time, the “**Senior Note**”). Concurrently therewith, Affiliate Counterparty has or shall enter into a certain ISDA Master Agreement with Borrower (the “**Hedging Contract**”). The Borrower Loan and the Hedging Contract are secured by, among other things, a certain Leasehold Mortgage, Assignment of Rents, Security Agreement and Fixture Filing given by the Borrower to the Governmental Lender dated as of the date hereof (as may be modified, increased, amended or replaced from time to time, the “**Senior Mortgage**”) encumbering the Property and the Project, which Senior Mortgage shall be assigned by the Governmental Lender to the Fiscal Agent as security for the Funding Loan.

D. The Senior Loan and Hedging Obligations (as defined in the Construction Funding Agreement) shall hold a first lien and a first priority on the Property.

E. The Subordinate Lender will be making the following loan to Borrower: (i) loan in the original principal amount of \$1,400,000.00 (the “**Penny Loan**” hereinafter referred to as the “**Subordinate Loan**”), pursuant to that certain Borrower Agreement dated as of February 8, 2024 between Subordinate Lender and Borrower (the “**Subordinate Loan Agreement**”), which Penny Loan will be evidenced by a Promissory Note in the original principal amount of \$1,400,000.00 given by Borrower in favor of Subordinate Lender (the “**Penny Note**” hereinafter referred to as the “**Subordinate Note**”) and secured by a Leasehold Mortgage dated as of February 8, 2024, encumbering all or a portion of the Property (the “**Subordinate Mortgage**”).

F. Senior Lender has agreed to permit Subordinate Lender to make the Subordinate Loan and to place a subordinate mortgage lien against the Property subject to all of the conditions contained in this Agreement.

NOW, THEREFORE, in order to induce Senior Lender to permit Subordinate Lender to make the Subordinate Loan to the Borrower and to place a subordinate mortgage lien against the Property, and in consideration thereof, the Senior Lender, for itself and as agent for Affiliate Counterparty, the Subordinate Lender and the Borrower agree as follows:

1. **Recitals.** The recitals set forth above are incorporated herein by reference.
2. **Definitions.**

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

“Affiliate” means, when used with respect to a Person, any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or individual controlled by, under common control with, or which controls such Person (the term “control” for these purposes shall mean the ability, whether by the ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to make management decisions on behalf of, or independently to select the managing partner of, a partnership, or otherwise to have the power independently to remove and then select a majority of those individuals exercising managerial authority over an entity, and control shall be conclusively presumed in the case of the ownership of 5% or more of the equity interests).

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

“Business Day” means any day other than Saturday, Sunday or a day on which the Senior Lender is not open for business.

“Default Notice” means: (a) a copy of the written notice from a Senior Lender to Borrower stating that a Senior Loan Default has occurred under the Senior Loan or Hedging Obligations; or (b) a copy of the written notice from the Subordinate Lender to the Borrower stating that a Subordinate Loan Default has occurred under any Subordinate Loan. The Default Notice shall specify the default upon which such Default Notice is based.

"Hedging Obligations" shall have the meaning assigned to such term in the Construction Funding Agreement.

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

“Senior Loan Default” means the occurrence of an “Event of Default” as that term is defined in the Senior Loan Documents or the Hedging Contract.

“Senior Loan Documents” means the Senior Mortgage, the Senior Note, the Funding Loan Agreement, the Construction Funding Agreement, and any and all other documents evidencing, securing or otherwise executed and delivered in connection with the Senior Loan, excluding any Hedging Contracts.

“Subordinate Loan Default” means a default by the Borrower in performing or observing any of the terms, covenants or conditions in the Subordinate Loan Documents to be performed or observed by it, which continues beyond any applicable period provided in the Subordinate Loan Documents for curing the default.

“Subordinate Loan Documents” means the Subordinate Note, the Subordinate Mortgage, the Subordinate Loan Agreement, and all other documents evidencing, securing or otherwise executed and delivered in connection with the Subordinate Loan.

“Subordinate Mortgage” shall have the meaning assigned to such term in the recitals above.

“Subordinate Note” or “Subordinate Note” shall have the meaning assigned to such term in the recitals above.

3. Permission to Place Mortgage Lien Against Property.

Senior Lender agrees, notwithstanding the prohibition against inferior liens on the Property contained in the Senior Loan Documents and subject to the provisions of this Agreement, to permit the Subordinate Lender to record the Subordinate Mortgage and other recordable Subordinate Loan Documents against the Property (which are subordinate in all respects to the lien of the Senior Mortgage) to secure Borrower’s obligation to repay the Subordinate Note and all other obligations, indebtedness and liabilities of Borrower to the Subordinate Lender under and in connection with the Subordinate Loan. Such permission is subject to the condition that each of the representations and warranties made by the Borrower and the Subordinate Lender in Section 4 is true and correct on the date of this Agreement and on the date on which the proceeds of the Subordinate Loan are disbursed to the Borrower. If any of the representations and warranties made by the Borrower and the Subordinate Lender in Section 4 is not true and correct on both of those dates, the provisions of the Senior Loan Documents applicable to unpermitted liens on the Property shall apply.

4. Borrower's and Subordinate Lender's Representations and Warranties.

The Borrower and the Subordinate Lender each make the following representations and warranties to the Senior Lender:

(a) **Subordinate Note.** The Subordinate Note contains the following provision relating to the subordination of such Subordinate Note evidenced by this Agreement:

The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness secured by the Senior Mortgage in the original principal amount of up to \$13,750,000 and any Hedging Obligations (as defined in the Subordination Agreement defined below), to the extent and in the manner provided in that certain Subordination Agreement of even date herewith among the payee of this Note, the Senior Lender and Borrower (the "**Subordination Agreement**"). The Mortgage securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Mortgage as more fully set forth in the Subordination Agreement. The rights and remedies of the payee and each subsequent holder of this Note under the Mortgage securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by the Subordinate Lender under the Subordination Agreement.

or other similar language acceptable to Senior Lender.

(b) **Subordinate Loan Documents.** The executed Subordinate Loan Documents are substantially in the same forms as those submitted to, and approved by, Senior Lender prior to the date of this Agreement. Upon execution and delivery of the Subordinate Loan Documents, Borrower shall deliver to Senior Lender an executed copy of each of the Subordinate Loan Documents, certified to be true, correct and complete.

(c) **Term of Subordinate Loan.** The terms of the Subordinate Note do not end before the term of the Senior Note.

(d) **Senior Loan Documents.** Upon execution and delivery of the Senior Loan Documents, Borrower shall deliver to Subordinate Lender an executed copy of each of the Senior Loan Documents, certified to be true, correct and complete.

5. Terms of Subordination.

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

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

(c) **Payments before Senior Loan Default.** Until Subordinate Lender receives a Default Notice of a Senior Loan Default from Senior Lender, Subordinate Lender shall be entitled to retain for its own account all payments made under or pursuant to the Subordinate Loan Documents.

(d) **Payments after Senior Loan Default.** Borrower agrees that, after it receives notice (or otherwise acquires knowledge) of a Senior Loan Default, it will not make any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage) without the Senior Lender's prior written consent. Subordinate Lender agrees that, after it receives any Default Notice from Senior Lender with written instructions directing Subordinate Lender not to accept payments from Borrower on account of the Subordinate Loan, it will not accept any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage) without the Senior Lender's prior written consent. If Subordinate Lender receives written notice from Senior Lender that the Senior Loan Default that gave rise to Subordinate Lender's obligation not to accept payments has been cured, waived, or otherwise suspended by the Senior Lender, the restrictions on payment to Subordinate Lender in this Section 5 shall terminate, and Senior Lender shall have no right to any subsequent payments made to Subordinate Lender by the Borrower prior to Subordinate Lender's receipt of a new Default Notice from Senior Lender in accordance with the provisions of this Section 5(d).

(e) **Remitting Subordinate Loan Payments to Senior Lender.** If, after Subordinate Lender receives a Default Notice from Senior Lender in accordance with subsection (d) above, Subordinate Lender receives any payments under the Subordinate Loan Documents, Subordinate Lender agrees that such payment or other distribution will be received and held in trust for Senior Lender, for itself and as agent for Affiliate Counterparty, and unless Senior Lender otherwise notifies Subordinate Lender in writing, will be promptly remitted, in kind to Senior Lender, properly endorsed to Senior Lender, to be applied to the principal of, interest on and other amounts due under the Senior Loan Documents and all obligations under the Hedging Contract in accordance with the provisions of the Senior Loan Documents. By executing this Agreement, Borrower specifically authorizes Subordinate Lender to endorse and remit any such payments to Senior Lender, and specifically waives any and all rights to have such payments returned to Borrower or credited against the Subordinate Loan. Borrower and Senior Lender acknowledge and agree that payments received by Subordinate Lender, and remitted to Senior Lender under this Section 5, shall not be applied or otherwise credited against the Subordinate Loan, nor shall the tender of such payment to Senior Lender waive any Subordinate Loan Default that may arise from the inability of Subordinate Lender to retain such payment or apply such payment to the Subordinate Loan.

(f) **Reinstatement.** To the extent that Borrower makes a payment to Senior Lender or Senior Lender receives any payment or proceeds of the collateral securing the Senior Loan and Hedging Obligations for Borrower's benefit, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable doctrine, then, to the extent of such payment or proceeds received and not retained by Senior Lender, Subordinate Lender's obligations intended to be satisfied thereby and this Agreement shall be reinstated and continue in full force and effect until full and final payment shall have been made to Senior Lender. Subordinate Lender agrees to hold in trust for

Senior Lender and promptly remit to Senior Lender any payments received by Subordinate Lender after such invalidated, rescinded or returned payment was originally made.

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

(h) **Notice of Payment from Other Persons.** Subordinate Lender agrees to notify (telephonically or via email, followed by written notice) Senior Lender of Subordinate Lender's receipt from any Person other than Borrower of a payment with respect to Borrower's obligations under the Subordinate Loan Documents, promptly after Subordinate Lender obtains knowledge of such payment.

6. **Default Under Subordinate Loan Documents.**

(a) **Notice of Default and Cure Rights.** Subordinate Lender shall deliver to Senior Lender a Default Notice within five Business Days in each case where Subordinate Lender has given a Default Notice to Borrower. Failure of Subordinate Lender to send a Default Notice to Senior Lender shall not prevent the exercise of Subordinate Lender's rights and remedies under the Subordinate Loan Documents, subject to the provisions of this Agreement. Senior Lender shall have the right, but not the obligation, to cure any Subordinate Loan Default within 60 days following the date of such notice; provided, however that Subordinate Lender shall be entitled, during such 60-day period, to continue to pursue its rights and remedies under the Subordinate Loan Documents to the extent permitted under Section 6(b). All amounts paid by Senior Lender in accordance with the Senior Loan Documents to cure a Subordinate Loan Default shall be deemed to have been advanced by Senior Lender pursuant to, and shall be secured by the lien of, the Senior Mortgage.

(b) **Subordinate Lender's Agreement to Standstill.** If a Subordinate Loan Default occurs and is continuing, Subordinate Lender agrees that, without Senior Lender's prior written consent, it will not: (i) sue the Borrower or any other obligor under any of the Subordinate Loan Documents other than as provided herein; (ii) accelerate or accept a prepayment in full or in part of any Subordinate Loan; (iii) commence any action to foreclose or exercise any power of sale under the Subordinate Loan Documents; (iv) accept a deed or assignment in lieu of foreclosure for the Property or any part or portion thereof; (v) seek or obtain a receiver for the Property or any part or portion thereof; (vi) take possession or control of the Property, or collect or accept any rents from the Property; (vii) take any action that would terminate any leases or other rights held by or granted to or by third parties with respect to the Property; (viii) initiate or join any other creditor in commencing any bankruptcy, reorganization, arrangement, insolvency, liquidation or similar proceeding with respect to the Borrower or any other obligor; (ix) incur any obligation to the Borrower or any other obligor other than as provided in the Subordinate Loan Documents, (x) exercise any other remedies under the Subordinate Loan Documents; or (xi) take any other enforcement action against the Borrower or any other obligor or against the Property or any part or portion thereof. Subordinate Lender further agrees that if at any time Subordinate Lender should commence any foreclosure proceeding, or commence any action to execute on any lien obtained by way of attachment or otherwise on the Property, or otherwise take any action prohibited under this subsection (b), Senior Lender shall (unless Senior Lender has consented to such action or remedy) be entitled to have the same vacated, dissolved and set aside by such proceedings at law or otherwise as Senior Lender may deem proper, and this Agreement shall be and constitute full and sufficient grounds therefor and shall entitle Senior Lender to become a party to any proceedings at law or otherwise in or by which Senior Lender may deem it proper to protect its interests hereunder.

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

7. Default Under Senior Loan Documents.

(a) **Notice of Default and Cure Rights.** Senior Lender shall deliver to Subordinate Lender a Default Notice within five (5) Business Days in each case where a Senior Lender has given a Default Notice to the Borrower. Failure of Senior Lender to send a Default Notice to Subordinate Lender shall not prevent the exercise of Senior Lender's rights and remedies under the Senior Loan Documents, subject to the provisions of this Agreement. Subordinate Lender shall have the right, but not the obligation, to cure any such Senior Loan Default as provided below. Subordinate Lender may have up to 60 days from the date of the Default Notice to cure any monetary default under the Senior Loan Documents; provided, however, that Senior Lender shall be entitled during such 60-day period to continue to pursue its respective remedies with respect to the Property. Subordinate Lender may have up to 90 days from the date of the Default Notice to cure a non-monetary default if during such 90-day period Subordinate Lender keep current all payments required by the Senior Loan Documents. In the event that such a non-monetary default creates an unacceptable level of risk relative to the Property, or Senior Lender's secured position relative to the Property, as determined by Senior Lender in its sole discretion, then Senior Lender may exercise during such 90-day period all available rights and remedies to protect and preserve the Property and the rents, revenues and other proceeds from the Property. All amounts paid by Subordinate Lender to Senior Lender to cure a Senior Loan Default shall be deemed to have been advanced by Subordinate Lender pursuant to, and shall be secured by the lien of, the Subordinate Mortgage.

(b) **Cross Default.** Subordinate Lender agrees that, notwithstanding any contrary provision contained in the Subordinate Loan Documents, a Senior Loan Default shall not constitute a default under the Subordinate Loan Documents if no other default occurred under the Subordinate Loan Documents until either (i) Senior Lender has accelerated the maturity of the Senior Loan, or (ii) Senior Lender has taken affirmative action to exercise its rights under the Senior Mortgage to collect rent, to appoint (or seek the appointment of) a receiver or to foreclose on (or to exercise a power of sale contained in) the Senior Mortgage. At any time after a Senior Loan Default is determined to constitute a default under the Subordinate Loan Documents, Subordinate Lender shall be permitted to pursue any remedies for default under the Subordinate Loan Documents, subject to the restrictions and limitations of this Agreement. If at any time the Borrower cures any Senior Loan Default to the satisfaction of the Senior Lender, as evidenced by written notice from Senior Lender to Subordinate Lender, any default under the Subordinate Loan Documents arising from such Senior Loan Default shall be deemed cured and the Subordinate Loan shall be retroactively reinstated as if such Senior Loan Default had never occurred.

8. Conflict.

Borrower, Senior Lender and Subordinate Lender each agrees that, in the event of any conflict or inconsistency between the terms of the Senior Loan Documents, Hedging Contract, the Subordinate Loan

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

9. Rights and Obligations of the Subordinate Lender under the Subordinate Loan Documents and of the Senior Lender under the Senior Loan Documents.

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

(a) **Protection of Security Interest.** Subordinate Lender shall not, without the prior written consent of Senior Lender in each instance, take any action that has the effect of increasing the indebtedness outstanding under, or secured by, the Subordinate Loan Documents, except that Subordinate Lender shall have the right to advance funds to cure Senior Loan Defaults pursuant to Section 7(a) above and advance funds pursuant to the Subordinate Mortgage for the purpose of paying real estate taxes and insurance premiums, making necessary repairs to the Property and curing other defaults by Borrower under the Subordinate Loan Documents.

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

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

(2) all proceeds received or to be received on account of such a Taking or a Casualty, or both, shall be applied (either to payment of the costs and expenses of repair and restoration or to payment of the Senior Loan and obligations under the Hedging Contract, as applicable) in the manner determined by Senior Lender in its sole discretion; provided, however, that if Senior Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the Senior Loan and any obligations under the Hedging Contract, as applicable, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Senior Loan and Hedging Contracts shall be

paid to, and may be applied by, Subordinate Lender in accordance with the applicable provisions of the Subordinate Loan Documents, provided however, Senior Lender agrees to consult with Subordinate Lender in determining the application of Casualty proceeds, provided further however that in the event of any disagreement between Senior Lender and Subordinate Lender over the application of Casualty proceeds, the decision of Senior Lender, in its sole discretion, shall prevail.

(3) Nothing herein shall be interpreted to limit the Subordinate Lender's rights as a Florida sovereign entity to exercise its police powers or powers of eminent domain.

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

10. Modification or Refinancing of Senior Loan.

Subordinate Lender consents to any agreement or arrangement in which Senior Lender waives, postpones, extends, reduces or modifies any provisions of the Senior Loan Documents, including any provision requiring the payment of money. Subordinate Lender further agrees that its agreement to subordinate hereunder shall extend to any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Loan (including reasonable and necessary costs associated with the closing and/or the refinancing) and, in the event of new mortgage debt, Subordinate Lender shall execute and deliver to Senior Lender a new subordination agreement on the same terms and conditions as this Subordination Agreement.

11. Default by the Subordinate Lender or Senior Lender.

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

12. Notices.

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

have been received two days after mailing in the United States), addressed to the respective parties as follows:

FISCAL AGENT: U.S. Bank Trust Company, N.A.
500 West Cypress Creek Road, Suite 460
Fort Lauderdale, FL 33309
Attention: Scott Schuhle

with a copy to: Liebler, Gonzalez & Portuondo
44 West Flagler Street, 25th Floor
Miami, Florida 33130
Attention: Bernardo Portuondo, Esq.

FUNDING LENDER TD Bank, N.A.
255 Alhambra Circle, 12th Floor
Coral Gables, Florida 33134
Attention: Nathan S. Perlmutter, Vice President

and a copy to: Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
150 West Flagler Street, Suite 2200
Miami, Florida 33130
Attention: Rebecca L. Mendez, Esq.

SUBORDINATE LENDER: Pinellas County
310 Court Street
Clearwater, Florida 33756
Affordable Housing Administrator

BORROWER: Blue Pinellas 2, LLC
c/o Blue Sky Communities
180 Fountain Parkway N., Suite 100
St. Petersburg, Florida 33716
Attention: Shawn Wilson

with a copy to: Nelson Mullins Riley & Scarborough LLP
390 North Orange Avenue, Suite 1400
Orlando, Florida 32801
Attention: Hollie Croft, Esq.

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

13. General.

(a) This Agreement shall be binding upon Borrower, Senior Lender and Subordinate Lender and shall inure to the benefit of the respective legal successors and assigns of Borrower, Senior Lender and Subordinate Lender. Borrower shall not assign any of its rights and obligations under this Agreement without the prior written consent of Senior Lender.

(b) **No Partnership or Joint Venture.** Senior Lender's permission for the placement of the Subordinate Loan Documents does not constitute Senior Lender as a joint venturer or partner of Subordinate Lender. No party hereto shall hold itself out as a partner, agent or Affiliate of any other party hereto.

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

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

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

(f) **Governing Law and Venue.** This Agreement shall be construed in accordance with the laws of the State of Florida. Any dispute arising under, in connection with, or related to this Agreement or related to any matter that is subject of this Agreement shall be subject to the exclusive jurisdiction of the state and/or federal courts located in Pinellas County, Florida.

(g) **Severable Provisions.** If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement, shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(h) **Term.** The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (i) the payment of all of the principal of, interest on and other amounts payable under the Senior Loan Documents and all Hedging Obligations under the Hedging Contract; (ii) the payment of all of the principal of, interest on and other amounts payable under the Subordinate Loan Documents, other than by reason of payments which the Subordinate Lender is obligated to remit to Senior Lender pursuant to Section 5 hereof; (iii) the acquisition by Senior Lender of title to the Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the Senior Mortgage; or (iv) the acquisition by Subordinate Lender of title to the Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the Subordinate Mortgage, but only if such acquisition of title does not violate any of the terms of this Agreement.

(i) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

(j) **WAIVER OF JURY TRIAL.** THE PARTIES HERETO KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE AS PERMITTED BY LAW THE RIGHT ANY OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS, WHETHER VERBAL OR WRITTEN, OR ACTIONS OF ANY PARTY, THIS PROVISION IS A MATERIAL INDUCEMENT FOR EACH OF THE PARTIES TO ENTER INTO THIS AGREEMENT.

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

WITNESSES:

FISCAL AGENT:

Robert Hedgecock
Print Name: Robert Hedgecock
Address of Witness: _____
11594 SW 51ST STREET
COOPER CITY, FL 33330

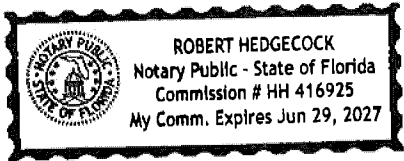
U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, as trustee

By: *Scott A. Schuhle*
Name: Scott A. Schuhle
Title: Vice President

James W. Cramer
Print Name: James W. Cramer
Address of Witness: _____
2435 E. NORTH STREET
GREENVILLE, NC 29615

STATE OF FLORIDA)
) :SS
COUNTY OF BROWARD)

The foregoing instrument was acknowledged before me, by means of physical presence or online notarization, this 1st day of January, 2024, by Scott A. Schuhle, as Vice President of **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, as trustee, on behalf of the bank as trustee. S/he is personally known to me or has produced a valid driver's license as identification.



Robert Hedgecock
Notary Public; State of Florida
Print Name: Robert Hedgecock
My Commission Expires: 6/29/2027
My Commission No.: HH 416925

[SUBORDINATION AGREEMENT – FISCAL AGENT – PINELLAS COUNTY PENNY LOAN]

WITNESSES:

[Signature]
Print Name: Nathan Murcia
Address of Witness: 4415
Weston Rd
FL 33331

[Signature]
Print Name: Sashy Rodriguez
Address of Witness: 4475 Weston
Road
FL 33331

FUNDING LENDER:

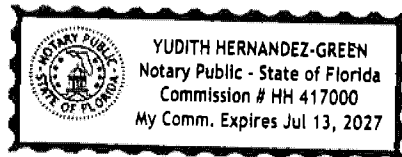
TD BANK, N.A., a national banking association

By: *[Signature]*
Name: Nathan S. Perlmutter
Title: Vice President

STATE OF FLORIDA)
 Broward) :SS
COUNTY OF ~~MIAMI DADE~~)

The foregoing instrument was executed before me, by means of physical presence or [] online notarization, this 26 day of December, 2023, by Nathan S. Perlmutter, as Vice President of TD BANK, N.A., a national banking association, who is personally known to me or who has produced a Florida driver license as identification.

[Signature]
Notary Public: State of Florida
Print Name: Yudith Hernandez-Green
My Commission Expires: 7/13/2027
My Commission No.: HH 417000



[SUBORDINATION AGREEMENT – FUNDING LENDER – PINELLAS COUNTY PENNY LOAN]

EXHIBIT A

Legal Description

The Land referred to herein below is situated in the County of PINELLAS, State of Florida, and is described as follows:

LOT 1, BLOCK A, LESS THE SOUTH 112.00 FEET BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 2, TOWNSHIP 32 SOUTH, RANGE 16 EAST, RUN SOUTH 00° 28' 21" WEST, 50.00 FEET; THENCE NORTH 89° 57' 21" EAST, 50.00 FEET TO THE NORTHWEST CORNER OF LOT 1, BLOCK A; THENCE SOUTH 00° 28' 21" WEST 162.00 FEET TO THE POINT OF BEGINNING. THENCE NORTH 89° 57' 21" EAST, 200.00 FEET; THENCE SOUTH 00° 28' 21" WEST, 112.00 FEET; THENCE SOUTH 89° 57' 21" WEST, 185.00 FEET; THENCE NORTH 68° 10' 19" WEST, 16.11 FEET; THENCE NORTH 00° 28' 21" EAST, 106.00 FEET TO THE POINT OF BEGINNING, ACCORDING TO THE PLAT OF ENGELKE-BLOCK A-SECOND PARTIAL REPLAT, AS RECORDED IN PLAT BOOK 71, PAGE 48 OF THE PUBLIC RECORDS OF PINELLAS COUNTY, FLORIDA.

TOGETHER WITH A NON-EXCLUSIVE RECIPROCAL PARKING, INGRESS AND EGRESS EASEMENT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 1, BLOCK A, ACCORDING TO THE PLAT OF ENGELKE-BLOCK A-SECOND PARTIAL REPLAT AS RECORDED IN PLAT BOOK 71, PAGE 48, OF THE PUBLIC RECORDS OF PINELLAS COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 2, TOWNSHIP 32 SOUTH, RANGE 16 EAST; RUN THENCE SOUTH 00° 28' 21" WEST, 50.00 FEET; THENCE NORTH 89° 57' 21" EAST 50.00 FEET TO THE NORTHWEST CORNER OF LOT 1, BLOCK A; THENCE SOUTH 00° 28' 21" WEST, 162.00 FEET TO THE POINT OF BEGINNING. THENCE NORTH 89° 57' 21" EAST, 200.00 FEET; THENCE SOUTH 00° 28' 21" WEST, 112.00 FEET; THENCE SOUTH 89° 57' 21" WEST, 185.00 FEET; THENCE NORTH 68° 10' 19" WEST 16.11 FEET; THENCE NORTH 00° 28' 21" EAST, 106.00 FEET TO THE POINT OF BEGINNING.