

	Subordination Agreement	
Document Number	Document Title	

Recording Area
Name and Return Address

Legal Services
Wisconsin Housing and Economic
Development Authority
P.O. Box 1728
Madison, Wisconsin 53701-1728

Parcel Identification Number (PIN):
See Exhibit A attached

This Instrument was drafted by:

Wisconsin Housing and Economic Development Authority
201 West Washington Avenue, Suite 700
P.O. Box 1728
Madison, Wisconsin 53701-1728

Project No. 6076
Loan No. 6076
MID No. 52881

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (the "**Agreement**") is made and entered into as of _____, 2018, by and among (i) WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY, a Wisconsin public body corporate and politic, whose address is 201 West Washington Avenue, Suite 700, P.O. Box 1728, Madison, Wisconsin 53701-1728 ("**Senior Lender**"), (ii) CITY OF LA CROSSE, WISCONSIN, a municipal corporation of the State of Wisconsin, whose address is City Hall, 400 La Crosse Street, La Crosse, Wisconsin 54601 ("**Subordinate Lender**"), and (iii) 2219 LOFTS LIMITED PARTNERSHIP, a Wisconsin limited partnership, whose address is c/o MetroPlains, LLC, 801 Washington Avenue North, Suite 108, Minneapolis, Minnesota 55401 ("**Borrower**").

RECITALS

A. Senior Lender has made or is making a loan (the "**First Mortgage Loan**") to Borrower in the original aggregate principal amount of \$472,075.00. The First Mortgage Loan is or will be secured by a first mortgage lien (the "**First Mortgage**") on a 25-unit multifamily and special needs rental housing development known as 2219 Lofts, located in the City of La Crosse, La Crosse County, Wisconsin (the "**Mortgaged Property**"). The Mortgaged Property is more fully described in Exhibit A attached hereto. Borrower's obligation to repay the First Mortgage Loan is evidenced by two (2) Multifamily Notes dated of even date herewith executed by Borrower and made payable to the order of Senior Lender (collectively, the "**First Mortgage Note**").

B. Subordinate Lender has made a subordinate loan to Borrower in the amount of \$500,000.00 (the "**Subordinate Loan**"). The Subordinate Loan is secured by, among other things, a mortgage lien against the Mortgaged Property.

C. At the request of Borrower, Senior Lender has agreed to permit Subordinate Lender to maintain the Subordinate Loan and the subordinate mortgage lien against the Mortgaged Property subject to all of the conditions contained in this Agreement.

NOW, THEREFORE, of good and valuable consideration, the receipt of which is hereby acknowledged, Senior Lender, Subordinate Lender, and Borrower agree as follows:

1. Definitions.

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

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

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

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

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

"First Mortgage Loan Default" means the occurrence of an **"Event of Default"** as such term is defined in the First Mortgage Loan Documents.

"First Mortgage Loan Documents" means the First Mortgage Note, Land Use Restriction Agreement, and all other documents evidencing, securing or otherwise executed and delivered in connection with the First Mortgage Loan.

"Land Use Restriction Agreement" means, collectively, those certain Land Use Restriction Agreements by and between Senior Lender and Borrower, as follows:

- i. Land Use Restriction Agreement for Low-Income Housing Tax Credit, dated as of November 29, 2017 and recorded in the Office of the La Crosse County Register of Deeds on December 11, 2017 as Document No. 1703739;
- ii. Land Use Restriction Agreement (general funding), of even date herewith, and recorded in the office of the La Crosse County Register of Deeds on or about the date hereof; and
- iii. Any other Land Use Restriction Agreement now or in the future with regard to the Mortgaged Property.

"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 Lender" means the Person named as such in the first paragraph on page 1 of this Agreement or any other Person who becomes the legal holder of the First Mortgage Note after the date of this Agreement.

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

"Subordinate Loan Default" means a default by 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 following documents by and between Borrower and Subordinate Lender:

- i. the Subordinate Note;
- ii. the Subordinate Mortgage;
- iii. the Land Use Restriction Agreement;
- iv. the Loan and Affordable Housing Development Agreement; and
- v. all other documents evidencing, securing or otherwise executed and delivered in connection with the Subordinate Loan.

"Subordinate Mortgage" means that certain Mortgage in the amount of \$500,000.00, dated November 16, 2015, and recorded on November 19, 2015 in the Office of the La Crosse County Register of Deeds as Document No. 1666631, encumbering all or a portion of the Mortgaged Property as security for the Subordinate Loan, which Subordinate Lender caused to be recorded among the applicable land records before this Agreement.

"Subordinate Note" means, collectively:

- i. that certain Fixed Rate – Single Payment – Cash Flow Note, dated November 16, 2015, in the principal amount of \$500,000.00; and
- i. Any other note or notes issued by Borrower to Subordinate Lender, or others, to evidence the Subordinate Loan.

2. Subordinate Note.

Borrower represents and warrants to Senior Lender that EXHIBIT B is a true, correct and complete copy of the Subordinate Note.

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

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

(a) Relationship of Borrower to Subordinate Lender and Senior Lender.

Subordinate Lender is not an Affiliate of Borrower and is not in possession of any facts which would lead it to believe that Senior Lender is an Affiliate of Borrower.

(b) Term. The term of the Subordinate Note ends on July 1, 2047.

4. 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 First Mortgage Loan Documents, 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 First Mortgage, Land Use Restriction Agreement, and the other First Mortgage Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the First Mortgage and the other First Mortgage Loan Documents (including but not limited to, all sums advanced for the purposes of (1) protecting or further securing the lien of the First Mortgage, curing defaults by Borrower under the First Mortgage Loan Documents or for any other purpose expressly permitted by the First Mortgage, or (2) constructing, renovating, repairing, furnishing, fixturing or equipping the Mortgaged 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 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 Mortgaged Property which (but for this subsection) would be senior to the lien of the First Mortgage, then, in that event, such lien shall be subject and subordinate to the lien of the First Mortgage and the Land Use Restriction Agreement.

(c) Payments Before First Mortgage Loan Default. Until Subordinate Lender receives a Default Notice of a First Mortgage 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 First Mortgage Loan Default. Borrower agrees that, after it receives notice (or otherwise acquires knowledge) of a First Mortgage 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 Senior Lender's prior written consent. Subordinate Lender agrees that, after it receives a 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 Senior Lender's prior written consent. If Subordinate Lender receives written notice from Senior Lender that the First Mortgage Loan Default which gave rise to Subordinate Lender's obligation not to accept payments has been cured, waived, or otherwise suspended by Senior Lender, the restrictions on payment to Subordinate Lender in this Section 4 shall terminate, and Senior Lender shall have no right to any subsequent payments made to Subordinate Lender by Borrower prior to Subordinate Lender's receipt of a new Default Notice from Senior Lender in accordance with the provisions of this Section 4(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 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 First Mortgage Loan Documents in accordance with the provisions of the First Mortgage 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 4, 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 which may arise from the inability of Subordinate Lender to retain such payment or apply such payment to the Subordinate Loan.

(f) 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 Senior Lender's prior written consent.

5. 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. All amounts paid by Senior Lender in accordance with the First Mortgage 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 First Mortgage.

(b) Subordinate Lender's Exercise of Remedies. If a Subordinate Loan Default occurs and is continuing, Subordinate Lender agrees that, without Senior Lender's prior written consent, it will not commence foreclosure proceedings with respect to the Mortgaged Property under the Subordinate Loan Documents or exercise any other rights or remedies it may have under the Subordinate Loan Documents, including, but not limited to accelerating the Subordinate Loan, commencing any enforcement or foreclosure action under the Subordinate Mortgage, collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder unless and until it has obtained the express written permission of Senior Lender; provided, however, Subordinate Lender shall be entitled to exercise and enforce all other rights and remedies available to Subordinate Lender under the Subordinate Loan Documents and/or under applicable laws, including without limitation, rights to enforce covenants and agreements of Borrower relating to income, rent, or affordability restrictions.

(c) Cross Default. Borrower and Subordinate Lender agree that a Subordinate Loan Default shall constitute a First Mortgage Loan Default under the First Mortgage Loan Documents and Senior Lender shall have the right to exercise all rights or remedies under the First Mortgage Loan Documents in the same manner as in the case of any other First Mortgage Loan Default. If Subordinate Lender notifies Senior Lender in writing that any Subordinate Loan Default of which 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 Mortgaged Property pursuant to its rights under the First Mortgage Loan Documents, any First Mortgage Loan Default under the First Mortgage Loan Documents arising solely from such Subordinate Loan Default shall be deemed cured, and the First Mortgage 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 First Mortgage Loan Default.

6. Default Under First Mortgage Loan Documents.

(a) Notice of Default and Cure Rights. Senior Lender shall deliver to Subordinate Lender a Default Notice within five Business Days in each case where Senior Lender has given a Default Notice to 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 First Mortgage Loan Documents, subject to the provisions of this Agreement. Subordinate Lender shall have the right, but not the obligation, to cure any such First Mortgage Loan Default within 60 days following the date of such notice; provided, however, that Senior Lender shall be entitled during such 60-day period to continue to pursue its remedies under the First Mortgage Loan Documents. Subordinate Lender may have up to 90 days from the date of the Default Notice to cure a non-monetary default if during such 90-day period Subordinate Lender keeps current all payments required by the First Mortgage Loan Documents. In the event that such a non-monetary default creates an unacceptable level of risk relative to the Mortgaged Property, or Senior Lender's secured position relative to the Mortgaged 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 Mortgaged Property and the rents, revenues and other proceeds from the Mortgaged Property. All amounts paid by Subordinate Lender to Senior Lender to cure a First Mortgage 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 First Mortgage 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 First Mortgage Loan, or (ii) Senior Lender has taken affirmative action to exercise its rights under the First 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 First Mortgage. At any time after a First Mortgage Loan Default is determined to constitute a default under the Subordinate Loan Documents, Subordinate Lender shall be permitted to pursue its remedies for default under the Subordinate Loan Documents, subject to the restrictions and limitations of this Agreement. If at any time Borrower cures any First Mortgage Loan Default to the satisfaction of Senior Lender, as evidenced by written notice from Senior Lender to Subordinate Lender, any default under the Subordinate Loan Documents arising from such First Mortgage Loan Default shall be deemed cured and the Subordinate Loan shall be retroactively reinstated as if such First Mortgage Loan Default had never occurred.

7. Conflict.

Borrower, Senior Lender and Subordinate Lender each agrees that, in the event of any conflict or inconsistency between the terms of the First Mortgage Loan Documents, 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 Subordinate Lender in the Mortgaged Property; (b) the timing of the exercise of remedies by Senior Lender and Subordinate Lender under the First Mortgage and the Subordinate Mortgage, respectively; and (c) solely as between Senior Lender and Subordinate Lender, the notice requirements, cure rights, and the other rights and obligations which 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 First Mortgage Loan Default or Subordinate Loan Default, as the case may be; give Borrower the right to notice of any First Mortgage Loan Default or Subordinate Loan Default, as the case may be other than that, if any, provided, respectively under the First Mortgage Loan Documents or the Subordinate Loan Documents; or create any other right or benefit for Borrower as against Senior Lender or Subordinate Lender.

8. Rights and Obligations of Subordinate Lender Under the Subordinate Loan Documents and of Senior Lender under the First Mortgage 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 covers 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 which 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 First Mortgage Loan Defaults pursuant to Section 6(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 Mortgaged 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 Mortgaged Property (collectively, a **"Taking"**); or the occurrence of a fire or other casualty resulting in damage to all or a portion of the Mortgaged Property (collectively, a **"Casualty"**), at any time or times when the First Mortgage remains a lien on the Mortgaged Property the following provisions shall apply:

(i) Subordinate Lender hereby agrees that its 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 rights under the First Mortgage Loan Documents 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

(ii) all proceeds received or to be received on account of a Taking or a Casualty, or both, shall be applied (either to payment of the costs and expenses of repair and restoration or to payment of the First Mortgage Loan) 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 First Mortgage Loan, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the First Mortgage Loan 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.

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

9. Modification or Refinancing of First Mortgage Loan.

Subordinate Lender consents to any agreement or arrangement in which Senior Lender waives, postpones, extends, reduces or modifies any provisions of the First Mortgage 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 First Mortgage Loan (including reasonable and necessary costs associated with the closing and/or the refinancing); and that all the terms and covenants of this Agreement shall inure to the benefit of any holder of any such refinanced debt; and that all references to the First Mortgage Loan, the First Mortgage Note, the First Mortgage, the First Mortgage Loan Documents and Senior Lender shall mean, respectively, the refinance loan, the refinance note, the mortgage securing the refinance note, all documents evidencing securing or otherwise pertaining to the refinance note and the holder of the refinance note.

10. Default by 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 shall have the right to all available legal and equitable relief.

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

SENIOR LENDER:

Wisconsin Housing and Economic
Development Authority
201 West Washington Avenue, Suite 700
P.O. Box 1728
Madison, Wisconsin 53701-1728
Attention: Legal Services

SUBORDINATE LENDER:

City of La Crosse, Wisconsin
City Hall
400 La Crosse Street
La Crosse, Wisconsin 54601
Attention: _____

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.

12. General.

(a) Assignment/Successors. 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 Senior Lender and Subordinate 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. Neither party hereto shall hold itself out as a partner, agent or Affiliate of the other party hereto.

(c) Senior Lender's and Subordinate Lender's Consent. Wherever 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 agree, 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 First 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; Consent to Jurisdiction and Venue.

(i) This Agreement shall be governed by and construed in accordance with the laws of the State of Wisconsin, ("**Wisconsin**"), without giving effect to conflicts of laws principles.

(ii) Borrower and Subordinate Lender agree that any controversy arising under or in relation to this Agreement shall be litigated exclusively in Wisconsin. The state and federal courts and authorities with jurisdiction in Wisconsin shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Agreement. Borrower and Subordinate Lender irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which they might be entitled by virtue of domicile, habitual residence or otherwise.

(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 First Mortgage Loan Documents; (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 Subordinate Lender is obligated to remit to Senior Lender pursuant to Section 4 hereof; (iii) the acquisition by Senior Lender of title to the Mortgaged Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the First Mortgage; or (iv) the acquisition by Subordinate Lender of title to the Mortgaged 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.

[Signature and Acknowledgement Pages Follow.]

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

SENIOR LENDER:

WISCONSIN HOUSING AND ECONOMIC
DEVELOPMENT AUTHORITY

By: _____
Sean O'Brien
Director, Commercial Lending

SUBORDINATE LENDER:

CITY OF LA CROSSE, WISCONSIN
a municipal corporation of the State of Wisconsin

By: _____
Name: _____
Title: Mayor

and

By: _____
Name: _____
Title: City Clerk

BORROWER:

2219 LOFTS LIMITED PARTNERSHIP,
a Wisconsin limited partnership

By: 2219 Lofts GP, LLC,
a Minnesota limited liability company
Its: General Partner

By: _____
Robert G. McCreedy
Co-President

[Acknowledgement page follows.]

ACKNOWLEDGEMENTS

STATE OF WISCONSIN)
) SS
COUNTY OF DANE)

This Subordination Agreement was acknowledged before me on _____, 2018, by Sean O'Brien, as Director, Commercial Lending, of the Wisconsin Housing and Economic Development Authority.

Pamela S. Hoeksema
Notary Public, State of Wisconsin
My Commission expires: December 27, 2019

STATE OF WISCONSIN)
) SS
COUNTY OF LA CROSSE)

This Subordination Agreement was acknowledged before me on _____, 2018 by _____, as Mayor, and _____, as City Clerk of the City of La Crosse, Wisconsin, a municipal corporation of the State of Wisconsin.

*

Notary Public, State of Wisconsin
My Commission expires: _____
*print name

STATE OF MINNESOTA)
) SS
COUNTY OF HENNEPIN)

This instrument was acknowledged before me on _____, 2018, by Robert G. McCready, as Co-President of 2219 Lofts GP, LLC, a Minnesota limited liability company, as General Partner of 2219 Lofts Limited Partnership, a Wisconsin limited partnership, on behalf of said partnership..

*

Notary Public, State of Minnesota
My Commission expires: _____
*print name

Project No. 6076
Loan No. 6076
MID No. 52881

EXHIBIT A

Legal Description

Lot 10 of John Koller's Addition to City of LaCrosse, LaCrosse County, Wisconsin.

AND

Part of the Southeast Quarter of the Northwest Quarter of Section 8, Township 15 North of Range 7 West, in the City of LaCrosse, LaCrosse County, Wisconsin, described as follows: Beginning at a stone monument at the Northwest corner of J. Koller's Addition to the City of LaCrosse; thence Northwesterly along the Northeast line of South Avenue 200.32 feet to an iron pipe; thence Northeast, at right angles with said Street line 144.3 feet to an iron pipe in the Southwesterly line of the Chicago, Burlington & Quincy Railroad Company right-of-way; thence Southeasterly along said right-of-way 139 feet; thence West along said right-of-way line 38 feet; thence Southeasterly along said right-of-way line 292.45 feet to the North line of said J. Koller's Addition; thence Westerly along said North plat line 266.9 feet to the point of beginning, EXCEPT the right-of-way of the Chicago, Burlington & Quincy Railroad Company.

AND

All that parcel of land located in the South half of the Southeast Quarter of the Northwest Quarter of Section 8, Township 15 North, Range 7 West of the Fourth Principal Meridian at City of LaCrosse, County of LaCrosse, State of Wisconsin, described as follows: Beginning at a point on the North line of said South half of the Southeast Quarter of the Northwest Quarter of Section 8, 50 feet perpendicularly distant, Southwesterly of, the Chicago, Burlington & Quincy Railroad Company former main line track center line; thence East along said North line, 53 feet more or less to a point 20 feet perpendicularly distant Southwesterly of said track center line; thence Southeasterly along a line 20 feet normally distant Southwesterly of said main line track center line, 150 feet to a point; thence Southwesterly along a straight line, 30 feet more or less to a point, 10 feet radially distant Northerly of said Railroad Company's track No. 2 center line; thence Northwesterly along a line 50 feet normally distant, Southwesterly of said main tract center line, 200 feet more or less to the point of beginning.

Property Identification No. 17-50281-70

EXHIBIT B

Subordinate Note

[Begins on next page].