

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made and entered into as of August __, 2016 by and among **ROOSEVELT SCHOOL APARTMENTS, LLC**, a Wisconsin limited liability company ("Owner"); **ROOSEVELT SCHOOL TENANT, LLC**, a Wisconsin limited liability company ("Lessee"); **CITY OF LA CROSSE, WISCONSIN**, a Wisconsin municipal corporation (together with any permitted successors or assigns, the "Lender"); and **RBC TAX CREDIT EQUITY, LLC**, an Illinois limited liability company ("Investor").

RECITALS

WHEREAS, Owner is the owner of a 33-unit residential rental facility in La Crosse, County of La Crosse, Wisconsin and to be known as the Roosevelt School (the "Facility"), which Owner is in the process of rehabilitating; and

WHEREAS, Owner is the owner of the certain tract(s) of land upon which the Facility is located, together with certain other improvements and all appurtenances, easements, rights of way and other rights belonging to or in any way pertaining thereto or to the Facility, more particularly described on Exhibit A attached hereto (collectively, the "Land" and, together with the Facility, the "Property"); and

WHEREAS, Owner intends to rehabilitate the Facility in a manner that qualifies for the historic rehabilitation tax credit allowed for qualified rehabilitation expenditures incurred in connection with the "certified rehabilitation" of a "certified historic structure" (the "Historic Tax Credit") pursuant to Section 47 of the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of prior or succeeding law (the "Code"); and

WHEREAS, Lessee has been formed to lease the Property including the rehabilitated Facility from Owner pursuant to the terms of that certain Master Lease dated even herewith between Owner, as landlord, and Lessee, as lessee (the "Lease"); and

WHEREAS, pursuant to that certain Amended and Restated Operating Agreement of Lessee dated even herewith (as amended and/or restated from time to time, the "Lessee's

Operating Agreement”), Investor has acquired a 99% interest in Lessee and has made or will make a substantial investment therein; and

WHEREAS, Owner and Lessee have executed or will execute that certain HTC Pass-Through Agreement (the “Pass-Through Agreement”) dated even herewith pursuant to which Owner will elect under Section 50 of the Code to pass-through to Lessee the Historic Tax Credit to which Owner is otherwise entitled as a result of the rehabilitation of the Facility; and

WHEREAS, Lender is the lender under that certain Loan and Affordable Housing Development Agreement dated as of June 3, 2016 and recorded in the office of the Register of Deeds for La Crosse County, Wisconsin as Document No. 1676103, and amended by that certain First Amendment to Loan and Affordable Housing Development Agreement, dated as of **[August __, 2016]**, each by and between Lender and Owner relating to a loan in the principal amount of \$450,000 by Lender to Owner, as amended (the “Mortgage Loan”), which Mortgage Loan is secured by means of a Mortgage on the Property, dated June 3, 2016 and recorded in the office of the Register of Deeds for La Crosse County, Wisconsin as Document No. 1676101 (the “Mortgage”), a Land Use Restriction Agreement, dated June 3, 2016 and recorded in the office of the Register of Deeds for La Crosse County, Wisconsin as Document No. 1676102, and other related security documents and financing statements given by Owner in favor of Lender, as amended (collectively, the “Mortgage Loan Documents”); and

WHEREAS, Lender is also lender pursuant to that certain Promissory Note dated August __, 2016 by Owner in favor of Lender in the original principal amount of \$300,000 (the “TIF Loan” and together with the Mortgage Loan, the “Loan”), which is guaranteed pursuant to that certain Guaranty by Gorman & Company, Inc., a Wisconsin corporation (collectively, the “TIF Loan Documents” and together with the Mortgage Loan Documents, the “Loan Documents”); and

WHEREAS, the Loan Documents require that Lender consent to the Lease; and

WHEREAS, Investor has requested that Lender provide certain notice and cure rights with respect to the Loan Documents.

NOW, THEREFORE, in consideration of the forgoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, Lender hereby agrees as follows:

1. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease. In addition to the defined terms set forth in the Recitals to this Agreement, the following defined terms used herein shall have the meanings specified below:

“Transfer” means (a) the institution of any foreclosure, trustee’s sale or other like proceeding, (b) the appointment of a receiver for Owner or the Property, (c) the exercise of rights to collect rents under the Loan Documents or an assignment of rents, (d) the recording by Lender or its successor or assignee of a deed in lieu of foreclosure for the Property, (e) any transfer or abandonment of possession of the Property to Lender or its successor or assigns, or any other person or entity, including, but not limited to, transfers or abandonments of possession in

connection with any proceedings affecting Owner under the Bankruptcy Code, 11 U.S.C. §101 *et seq.*, or (f) taking direct or indirect ownership of any partnership interest (“Ownership Interest”) in the Owner.

“Transferee” means Lender, its successors and assigns, any designee of Lender or any other party taking title to the Property or an Ownership Interest in connection with or following a Transfer.

2. Lender Consent. Lender hereby consents to the Lease and to the acquisition by the Investor of an interest in the Lessee and to the execution of the Lessee’s Operating Agreement and related documents, and agrees that the execution and delivery thereof by Owner and/or the Lessee, as the case may be, shall not constitute a default under the Loan.

3. Subordination. Except as otherwise expressly provided in this Agreement, the Loan Documents and the lien created by them, including, without limitation, the lien of the Mortgage (together with any and all increases, renewals, amendments, modifications, supplements, extensions, consolidations and replacements of the Mortgage or any other Loan Document) is and shall unconditionally be and remain at all times a lien or charge upon the Property prior and superior to the Lease and all rights and privileges of Lessee thereunder, or any subtenant thereunder, and the Lease, and all rights and privileges of Lessee or any subtenant are hereby unconditionally subjected and made subordinate to the lien or charge of the Loan Documents, including, without limitation, the lien of the Mortgage.

4. Lender’s Exercise of Remedies: Non-Disturbance.

(a) During the recapture period applicable to the rehabilitation of the Facility, as provided for in Section 47 of the Code, Lender shall not, until after it has given Lessee and Investor notice and the opportunity to cure in accordance with Section 6(b) below, take any action to effect a termination of the Lease, otherwise disturb Tenant’s possession under the Lease (except as may be permitted under the terms of the Lease); provided, however, that Lender shall be entitled during any applicable cure period provided for in Section 6(b) below to otherwise continue to pursue any other remedies under the Loan Documents that do not violate the foregoing obligations.

(b) At anytime during a default by Lessee under the Lease beyond any applicable grace and cure periods, no distributions of cash flow may be made to any partner of Lessee under Lessee’s Operating Agreement and Lessee shall pay to Owner or Transferee, as applicable, all amounts of cash flow available from any source after the payment of reasonable and necessary operating expenses. Such amounts paid will be applied to Lessee’s obligations under the Lease to pay rent, additional rent or any other amounts due under the Lease with any unsatisfied obligations accruing until Lessee has cash flow available to pay all such amounts due.

5. Attornment.

(a) Lessee shall attorn to any Transferee, including Lender, if Lender becomes a Transferee, as the landlord under the Lease, provided such Transfer complies with the provisions of this Agreement. Said attornment is subject to the limitation of Transferee’s

obligations set forth in Section 5(b) and shall be effective and self-operative without the execution of any further instruments upon Transferee succeeding to the interest of the landlord under the Lease. Within ten (10) days after receipt of a written request therefor from a Transferee, Lessee agrees to provide such Transferee with a written confirmation of its attornment and any other matter set forth in this Agreement.

(b) Upon a Transfer of the Property to a Transferee, which Transfer complies with the provisions of this Agreement, the Lease will be recognized as a direct lease from Transferee to lessee upon such Transfer for the balance of the term thereof. In the event that the Lease is recognized as a direct lease from a Transferee as aforesaid, then the liability of a Transferee under the Lease shall exist only so long as such Transferee is the owner of the Property, and such liability shall not continue or survive with respect to claims accruing after further transfer of ownership. A Transferee shall not be: (i) liable for any act, default or omission of any prior landlord (including Owner), or any damage or other relief attributable to any breach of any representation or warranty contained in the Lease by any prior landlord (including Owner) under the Lease, (ii) subject to any offsets or counterclaims which Lessee may have against a prior landlord (including Owner), unless expressly provided for herein, (iii) bound by any prepayment of Base Rent or Additional Rent which Lessee may have made in excess of the amounts then due for the next succeeding month, unless specifically approved in writing by Lender, or be liable or responsible for any security deposit or other sums which Lessee may have paid under the Lease unless such deposit or other sums have been physically delivered to Transferee, (iv) bound by any notices given by Lessee to Owner of which it did not also receive notice, (v) required after a fire, casualty or condemnation of the Property to repair or rebuild the same to the extent that such repair or rebuilding requires funds in excess of the insurance or condemnation proceeds specifically allocable to the Property and arising out of such fire, casualty or condemnation which have actually been received by a Transferee, and then only to the extent required by the terms of the Lease, (vi) bound by any modification to the Lease or by any waiver or forbearance on the part of any prior landlord (including Owner) made without Lender's consent, or (vii) required to undertake or complete any of Landlord's Work, or to make any payment to Lessee or perform any other work required to be made or performed by any prior landlord (including Owner) or relating to periods prior to the effective date of the applicable Transfer.

6. Notice and Cure Rights.

(a) Lessee, Owner and their respective partners each agrees, simultaneously with the giving of any notice under the Lease, to give a duplicate copy thereof to Lender. Should either Owner or Lessee default in respect of any of the provisions of the Lease, Lender shall have the right, but not the obligation, to cure such default, and either Lessee or Owner, as the case may be, shall accept performance by or on behalf of Lender as though, and with the same effect as if, it had been done or performed by the defaulting party. The Lender will have sixty (60) days (co-terminously) after the service of such notice upon it within which to cure or cause to be cured the default specified in such notice; provided that if (i) Lender promptly notifies the Lessee or Owner, as applicable, that such default cannot be cured within such sixty (60) day period, (ii) Lessee or Owner, as applicable, reasonably agrees that such default cannot be cured within such sixty (60)

day period, and (iii) Lender commences to cure the particular default within such thirty (60) day period, then Lender shall have an additional sixty (60) day period commencing upon the expiration of the original sixty (60) day period to prosecute the cure to completion with due diligence.

(b) The Lender and Owner each agrees, simultaneously with the giving of any notice with respect to the Loan, to give a duplicate copy thereof to Lessee and to Investor. Should Owner default in respect of any of the provisions of the Loan, Investor shall have the right, but not the obligation, to cure such default or cause it to be cured, and Lender and Owner, as the case may be, shall accept performance by or on behalf of Investor as though, and with the same effect as if, it had been done or performed by Owner. Investor will have ninety (90) days (co-terminously) after the service of such notice by Lender or Owner upon it within which to cure or cause to be cured the default specified in such notice; provided that if (i) Investor promptly notifies Lender that such default cannot be cured within such ninety (90) day period, (ii) Lender reasonably agrees that such default cannot be cured within such ninety (90) day period, and (iii) Investor commences to cure the particular default within such ninety (90) day period, then Lender shall have an additional thirty (30) day period commencing upon the expiration of the original ninety (90) day period to prosecute the cure to completion with due diligence.

7. Miscellaneous.

(a) Investor agrees that it shall not remove the Lessee's managing member pursuant to the Lessee's Operating Agreement without receiving the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned, or delayed. Upon the Investor's delivery of written notice to Lender that it desires to remove the Lessee's managing member, which notice also identifies a proposed replacement general partner that is experienced in operating properties similar to the Property and which notice shall also reference the time period in which Lender is required to respond under this Section 7(a), the Lender shall have ten (10) business days to review and either approve or deny such request. If Lender fails to respond within such ten (10) business day period, the Lender shall be deemed to have approved the removal and replacement of the Lessee's managing member.

(b) This Agreement shall inure to the benefit of, and be binding upon, the parties hereto, their successors and assigns; (including all Transferees); provided, however, that in the event of the assignment or transfer of the interest of a Transferee, all obligations and liabilities of such Transferee under this Agreement shall terminate, and thereupon all such obligations and liabilities shall be the responsibility of the party to whom the Transferee's interest is assigned or transferred; and provided further that the interest of Lessee under this Agreement may not be assigned or transferred except to the extent the assignment of Lessee's interest in the Lease is permitted under the Lease.

(c) This Agreement shall supersede and cancel any provisions contained in the Lease that provide for the subjection or subordination of said Lease to a deed of trust or to a mortgage or mortgages, or other similar mortgage loan documents. This

Agreement may not be modified in any manner or terminated except by an instrument in writing executed by the parties hereto.

(d) This Agreement shall be governed by, construed, applied and enforced in accordance with the laws the State where the Property is located. The invalidity, legality or enforceability of any provision of this Agreement shall not affect or impair the validity, legality or enforceability of the remainder of this Agreement, and to this end, the provisions of this Agreement are declared to be severable.

(e) In the event any legal action or proceeding is commenced to interpret or enforce the terms of, or obligations arising out of, this Agreement, or to recover damages for the breach thereof, the party prevailing in any such action or proceeding shall be entitled to recover from the non-prevailing party all reasonable attorneys' fees, costs and expenses incurred by the prevailing party.

(f) The Lease may not be modified or amended so as to reduce the rent or other payments due Owner thereunder or shorten the Term provided thereunder or so as to adversely affect in any other respect to any material extent the rights of Lender or its collateral under the Loan Documents, nor shall the Lease be canceled or surrendered, without the written consent, in each instance, of Lender.

(g) Any notices required hereunder will be in writing and will be either given by U.S. registered or certified mail, return receipt requested, with postage prepaid (except in the event of a postal disruption, by strike or otherwise, in the United States), or sent by personal delivery by a nationally recognized courier service for next day delivery. The current addresses and telecopy numbers of the parties to which any notice provided for herein shall be sent, are as follows:

If to Owner:

Roosevelt School Apartments, LLC
c/o Gorman & Company, Inc.
200 North Main Street
Oregon, Wisconsin 53575
Attention: Gary J. Gorman

With a copy to:

Reinhart Boerner Van Deuren s.c.
1000 North Water Street, Suite 1700
Milwaukee, Wisconsin 53202
Attn: William R. Cummings

If to Lessee:

Roosevelt School Tenant, LLC
c/o Gorman & Company, Inc.

200 North Main Street
Oregon, Wisconsin 53575
Attention: Gary J. Gorman

With a copy to:

Reinhart Boerner Van Deuren s.c.
1000 North Water Street, Suite 1700
Milwaukee, Wisconsin 53202
Attn: William R. Cummings

If to Investor:

RBC Tax Credit Equity, LLC
600 Superior Avenue, Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel

With a copy to:

Nixon Peabody LLP
100 Summer Street
Boston, Massachusetts 02110
Attention: Roger W. Holmes

If to Lender:

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

With a copy to:

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

Any party may designate another addressee (and/or change its address or telecopy number) for notices hereunder by a notice given pursuant to this Section. Notices delivered personally or by facsimile will be effective upon delivery to an authorized representative of the party at the

designated address; notices sent by mail in accordance with the above paragraph will be effective upon execution by the addressee of the return receipt requested.

(h) This Agreement may be executed in several counterparts and all so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties have not signed the original or the same counterpart.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the parties have executed this Subordination, Non-Disturbance and Attornment Agreement as of the date first above written.

OWNER:

ROOSEVELT SCHOOL APARTMENTS, LLC,
a Wisconsin limited liability company

By: Roosevelt School Apartments MM, LLC, its
managing member

By: GEC Roosevelt, LLC, its manager

By: Gorman & Company, Inc., its manager

By: _____
Gary J. Gorman, President

STATE OF WISCONSIN)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of August, 2016, by Gary J. Gorman, as President of Gorman & Company, Inc., the manager of GEC Roosevelt, LLC, the manager of Roosevelt School Apartments MM, LLC, the managing member of Roosevelt School Apartments, LLC, on behalf of such entities.

Witness my hand and official seal.

My commission expires: _____

Notary Public

LESSEE:

ROOSEVELT SCHOOL TENANT, LLC,
a Wisconsin limited liability company

By: Roosevelt School Tenant MM, LLC, its managing member

By: GEC Roosevelt, LLC, its manager

By: Gorman & Company, Inc., its manager

By: _____
Gary J. Gorman, President

STATE OF WISCONSIN)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of August, 2016, by Gary J. Gorman, as President of Gorman & Company, Inc., the manager of GEC Roosevelt, LLC, the manager of Roosevelt School Tenant MM, LLC, the managing member of Roosevelt School Tenant, LLC, on behalf of such entities.

Witness my hand and official seal.

My commission expires: _____

Notary Public

LENDER:

CITY OF LA CROSSE, WISCONSIN, a
Wisconsin municipal corporation

Mayor Timothy Kabat

Teri Lehrke, Clerk

STATE OF WISCONSIN)
) ss.
COUNTY OF LA CROSSE)

In said county and state, on this ____ day of August, 2016, before me personally appeared Timothy Kabat, the Mayor of La Crosse, Wisconsin on behalf of such entity.

Notary Public
My Commission Expires: _____

STATE OF WISCONSIN)
) ss.
COUNTY OF LA CROSSE)

In said county and state, on this ____ day of August, 2016, before me personally appeared Teri Lehrke, the Clerk of La Crosse, Wisconsin on behalf of such entity.

Notary Public
My Commission Expires: _____

INVESTOR:

RBC Tax Credit Equity, LLC, an Illinois limited liability company

By: _____
Name: _____
Title: _____

STATE OF OHIO)
) ss.
COUNTY OF _____)

In said county and state, on this ____ day of June, 2016, before me personally appeared _____, the _____ of _____, on behalf of such entity.

Notary Public

My Commission Expires: _____

Exhibit A

LEGAL DESCRIPTION

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, in Block 3 of Losey's Addition to La Crosse, together with the vacated alley in said Block 3.

Also that part of the Northwest 1/4 of the Northeast 1/4 of Section 20, Township 16 North of Range 7 West, City of La Crosse, described as follows: Commencing at a point which is 413 feet East and 33 feet South of the Northwest corner of said Northwest 1/4 of the Northeast 1/4, said point being on the South right-of-way line of Palace Street and the East right-of-way line of Wood Street; thence South along said East right-of-way line 240.13 feet to a point on the North line of Lot 14 in Block 3 of said Losey's Addition; thence East along said North line 191.4 feet to the Southwest corner of Lot 6 in Block 3 of said Losey's Addition; thence North 240.13 feet to the South right-of-way line of Palace Street; thence West along said South right-of-way line 191.4 feet to the point of beginning.

Tax Key No.: 17-10157-12