

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

Robinson & Cole LLP
280 Trumbull Street
Hartford, CT 06103
Attention: Kathryn Mullin, Esq.
Property Name: Sailboat Bend Apartments II

SUBORDINATION AGREEMENT FOR REGULATORY AGREEMENT

THIS SUBORDINATION AGREEMENT FOR REGULATORY AGREEMENT (this "**Agreement**") is effective as of the ____ day of _____, 2022, by **BROWARD COUNTY**, a political subdivision of the State of Florida ("**Governmental Entity**"), the **HOUSING AUTHORITY OF THE CITY OF FORT LAUDERDALE**, a public body corporate and politic (the "**Owner**") and **SAILBOAT BEND II, LTD.**, a Florida limited partnership ("**Borrower**"), for the benefit of **JLL REAL ESTATE CAPITAL, LLC**, a Delaware limited liability company, its successors and assigns ("**Lender**").

RECITALS:

A. Simultaneously herewith Lender is making a loan to Borrower in the original principal amount of \$[6,000,000] ("**Loan**") pursuant to a Multifamily Loan and Security Agreement between Lender and Borrower (as supplemented or amended from time to time, the "**Loan Agreement**") and evidenced by a Multifamily Note by Borrower to Lender (as supplemented or amended from time to time, the "**Note**"). The Loan is to be secured by a Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing that will be recorded among the records of Broward County, Florida ("**Official Records**") (as supplemented or amended from time to time, the "**Mortgage**"), encumbering the property described in the Mortgage as the "Mortgaged Property" ("**Property**"). The Loan Agreement, the Note and the Mortgage, together with all other documents executed with respect to the Loan, are hereinafter collectively referred to as the "**Loan Documents**".

B. In connection with the construction and development of the Property, Owner has entered into (i) a certain Declaration of Restrictive Covenants (Affordable Housing) dated as of July 31, 2019, in favor of the Governmental Entity, which was recorded as Instrument 115974883 in the Official Records; and (ii) a certain Declaration of Restrictive Covenants (Age Restricted) dated as of July 31, 2019, in favor of the Governmental Entity, which was recorded as Instrument No. 115974930 (collectively, the "**Regulatory Agreement**"), pursuant to which the Property was subjected to certain restrictions by Governmental Entity.

C. As a condition to making the Loan, Lender requires that the lien of the Mortgage be superior to the lien of the Regulatory Agreement. Lender will not make the Loan unless Governmental Entity and Owner agree to subordinate their rights and obligations under the Regulatory Agreement.

D. Borrower and Governmental Entity hereby agree to subordinate the Regulatory Agreement on and subject to the terms, conditions and requirements set forth in this Agreement.

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

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

2. Subordination. The Governmental Entity hereby agrees that the Regulatory Agreement is and shall at all times continue to be, subordinate, subject and inferior to the rights of Lender under the Loan Documents and that the liens, rights (including approval and consent rights), remedies, payment interests, priority interests, and security interests granted to Governmental Entity pursuant to or in connection with the Regulatory Agreement are hereby expressly acknowledged to be in all respects and at all times, subject, subordinate and inferior in all respects to the liens, rights (including approval and consent rights), remedies, payment, priority and security interests granted to Lender pursuant to the Loan Documents and the terms, covenants, conditions, operations and effects thereof. Notwithstanding the above, Governmental Entity may exercise the remedies of specific performance or injunctive relief at any time in the event of a default under or breach of the terms of the Regulatory Agreement.

3. Financing, Encumbrance and Approval. Governmental Entity hereby approves and acknowledges the financing evidenced by the Mortgage. Governmental Entity further agrees that any transfer of the Property in connection with foreclosure of the Mortgage or a deed in lieu thereof shall not require Governmental Entity's consent but shall require notice to Governmental Entity.

4. Intentionally Omitted.

5. Lender Notice of Default. In consideration of Governmental Entity's agreements contained in this Agreement, Lender agrees that in the event of any default by Borrower under the Loan Documents, Governmental Entity shall be entitled to receive a copy of any notice of default given by Lender to Borrower under the Loan Documents. Neither the giving nor the failure to give a notice to Governmental Entity pursuant to this Section 5 will affect the validity of any notice given by Lender to the Borrower.

6. Governmental Entity Notice of Default. Governmental Entity shall give Lender a concurrent copy of each material notice (including without limitation each notice of default) given by Governmental Entity under or with respect to the Regulatory Agreement, and agrees that Lender, at Lender's sole election, shall have the right (but not the obligation) to cure any default by Borrower under the Regulatory Agreement on its and/or Borrower's behalf. Governmental Entity hereby represents that, to the best of its knowledge, there is no current default under the Regulatory Agreement.

7. Governmental Entity's Rights. Except as set forth in Sections 2 and 8 of this Agreement, nothing in this Agreement is intended to abridge or adversely affect any right or obligation of Borrower and/or Governmental Entity, respectively, under the Regulatory Agreement; provided that, (A) the Regulatory Agreement may be released but it may not be modified, amended, changed or otherwise altered without the prior written consent of Lender so long as the Loan is secured by the Property and (B) for so long as the Loan is secured by the Property, notwithstanding the terms of the Regulatory Agreement to the contrary, neither Borrower nor Governmental Entity will, without Lender's prior written consent, exercise or seek any right or remedy under the Regulatory Agreement or available at law or in equity which will or could result in (i) a transfer of possession of the Property or the control, operations or management thereof, (ii) the collection or possession of rents or revenues from or with respect to the Property by any party other than Borrower or Lender; (iii) appointment of a receiver for the Property; (iv) the application of insurance or condemnation proceeds other than as approved by Lender pursuant to the Loan Documents; (v) the removal or replacement of the existing property manager of the Property; or (vi) a material adverse effect on Lender's security for the Loan.

8. Foreclosure by Lender. In the event of foreclosure, deed in lieu of foreclosure, or similar disposition of the Property by Lender, no consent shall be required from Governmental Entity.

9. Entire Agreement. This Agreement represents the entire understanding and agreement between the parties hereto with regard to the subordination of the Regulatory Agreement to the lien or charge of the Loan Documents, and shall supersede and cancel any prior agreements with regard to this subject matter.

10. Binding Provisions. The covenants and agreements contained in this Agreement shall be binding upon the heirs, personal representatives, successors and assigns of the respective parties to this Agreement.

11. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

12. Modifications. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest.

13. Notices. All notices required or permitted hereunder shall be deemed to have been received either (i) when delivered by hand and the party giving such notice has received a signed receipt thereof, or (ii) three (3) days following the date deposited in the United States mail, postage prepaid, by registered or certified mail, return receipt requested, addressed as follows (or addressed in such other manner as the party being notified shall have requested by written notice to the other party):

If to Governmental Entity:

Broward County

If to Lender:

2177 Youngman Avenue
St. Paul, Minnesota 55116
Attn: Loan Servicing
Email: loanservicing@am.jll.com

With a copy to:

Fannie Mae
Attention: Multifamily Asset Management
Drawer AM
1100 15th Street, NW
Washington, DC 20005

If to Borrower:

Sailboat Bend II, Ltd.
c/o HEF-Sailboat Bend II, Inc.
437 SW 4th Avenue
Ft. Lauderdale, FL 33315
Attn: President

With a copy to:

Fox Rothschild LLP
BNY Mellon Center
500 Grant St., Suite 2500
Pittsburgh, PA 15219
Attn: Michael H. Syme, Esq.

If to Owner:

Housing Authority of the City of Fort Lauderdale
437 SW 4th Avenue
Ft. Lauderdale, FL 33315
Attn: Executive Director

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

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

16. Counterparts. This Agreement may be executed in counterparts each of which shall be deemed an original and all of which when taken together constitute one and the same instrument, binding on all of the parties. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN THE REGULATORY AGREEMENT BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF THE MORTGAGE.

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

GOVERNMENTAL ENTITY:

BROWARD COUNTY,
a political subdivision of the State of Florida

By: _____
Name:
Title:

STATE OF FLORIDA)
)
COUNTY OF)

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of March, 2022, by _____, as _____ of Broward County, on behalf of Broward County.

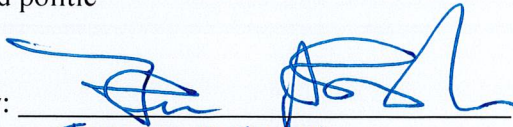
Signature of Notary Public, State of Florida

Print Name

Personally known: _____
OR Produced Identification: _____
Type of Identification Produced: _____

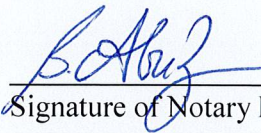
OWNER:

**HOUSING AUTHORITY OF THE CITY OF
FORT LAUDERDALE**, a public body corporate
and politic

By: 
Name: TAM A. ENGLISH
Title: EXECUTIVE DIRECTOR

STATE OF FLORIDA)
)
COUNTY OF Broward)

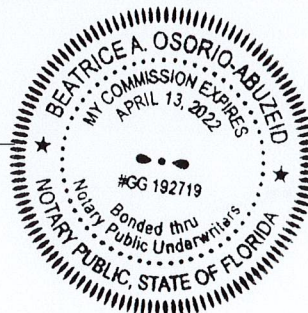
The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 2nd day of March, 2022, by Tam English, as Executive Director of the Housing Authority of the City of Fort Lauderdale, on behalf of the Housing Authority of the City of Fort Lauderdale.



Signature of Notary Public, State of Florida
Beatrice Osorio-Abuzeid

Print Name

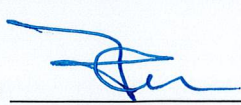
Personally known: ☒
OR Produced Identification: _____
Type of Identification Produced: _____



BORROWER:

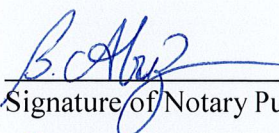
SAILBOAT BEND II, LTD.,
a Florida limited partnership

By: HEF-Sailboat Bend II, Inc., a Florida
corporation, its General Partner

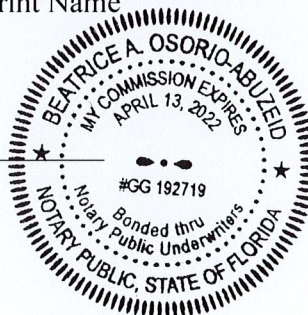
By: 
Name: Tam A. English
Title: President

STATE OF FLORIDA)
)
COUNTY OF Broward)

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, this 2nd day of March, 2022, by Tam A. English, as President of HEF-Sailboat Bend II, Inc., a Florida corporation, as General Partner of Sailboat Bend II, Ltd., on behalf of Sailboat Bend II, Ltd.


Signature of Notary Public, State of Florida
Beatrice Osorio-Abuzeid
Print Name

Personally known: ☒
OR Produced Identification: _____
Type of Identification Produced: _____



LENDER:

JLL REAL ESTATE CAPITAL, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

Address:

2177 Youngman Avenue
St. Paul, Minnesota 55116
Attn: Loan Servicing
Email: loanservicing@am.jll.com

With a copy to:

Fannie Mae
Attention: Multifamily Asset Management
Drawer AM
1100 15th Street, NW
Washington, DC 20005

STATE OF _____)
) ss.:
COUNTY OF _____)

On the ____ day of _____, 2022, before me, the undersigned, a notary public in and for said state, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public