

FOR USE BY FILING OFFICER ONLY

**AMENDED AND RESTATED MASTER SUBORDINATION AGREEMENT
AND
ESTOPPEL CERTIFICATE**

THIS AMENDED AND RESTATED MASTER SUBORDINATION AGREEMENT AMENDS AND RESTATES IN ITS ENTIRETY THE MASTER SUBORDINATION AGREEMENT DATED APRIL 4, 2006 AND FILED OF RECORD IN THE OFFICE OF THE REGISTRAR OF TITLES FOR ST. LOUIS COUNTY, MINNESOTA ON MAY 4, 2006 AS DOCUMENT NO. 817113.0, AND FILED OF RECORD IN THE OFFICE OF THE COUNTY RECORDER FOR ST. LOUIS COUNTY, MINNESOTA ON MAY 4, 2006 AS DOCUMENT NO. 01016830.

THIS MASTER SUBORDINATION AGREEMENT AND ESTOPPEL CERTIFICATE (this “Agreement”) is effective as of the ____ day of _____, 2025, and entered into among CC San Marco, LLC, a Minnesota limited liability company (“Borrower”), the Minnesota Housing Finance Agency, a public body corporate and politic of the State of Minnesota (“MHFA”), the City of Duluth, a municipal corporation under the laws of the State of Minnesota (the “City”), and Greater Minnesota Housing Fund, a Minnesota nonprofit corporation (“GMHF”).

RECITALS

A. Borrower has applied to and obtained certain loans from the other parties to this Agreement and will use the proceeds of the loans and additional equity to fund the acquisition, construction and/or rehabilitation of a multifamily housing development identified as MHFA Development No. 3787 (the “Development”), which will be situated on real property located in the City of Duluth, County of St. Louis, State of Minnesota, and legally described in **Exhibit A** attached to this Agreement (the “Property”).

B. The following is a listing and description of the loans that Borrower has obtained from the other parties to this Agreement (collectively, the “Loans”), and the repayment of the Loans will be secured by liens on the Property, and a listing of the documents that evidence and secure the repayment of the Loans (collectively, the “Loan Documents”):

Description of Loan	Amount of Loan	Loan Documents Evidencing and Securing Repayment
A loan from MHFA through its Housing Infrastructure Program.	\$10,998,000.00	Those documents set forth in Exhibit B attached to this Agreement.
A loan from GMHF.	\$300,000.00	Those documents set forth in Exhibit C attached to this Agreement.
A loan from the City through its Community Development Block Grant Program.	\$200,000.00	Those documents set forth in Exhibit D attached to this Agreement.
A loan from the City through its Housing Investment Fund Program.	\$50,000.00	Those documents set forth in Exhibit E attached to this Agreement.
A loan from the City through its HOME Investment Partnerships Program.	\$123,346.00	Those documents set forth in Exhibit F attached to this Agreement.
A loan from the City through its HOME Investment Partnerships Program.	\$94,125.00	Those documents set forth in Exhibit G attached to this Agreement.
A 2009 loan from the City through its HOME Investment Partnerships Program.	\$200,255.00	Those documents set forth in Exhibit H attached to this Agreement.

C. The parties intend that the Loans, the corresponding Loan Documents, and other documents referred to in this Agreement and the liens created by the Loan Documents and other documents referred to in this Agreement have a certain order of priority.

D. The parties wish to specify how the terms and conditions contained in the Loan Documents will be interpreted in the event of a conflict or inconsistency.

NOW, THEREFORE, in consideration of good and valuable consideration, and in further consideration of the parties making and entering into the Loans, the parties to this Agreement agree as follows:

1. **Definitions.** For the purposes of this Agreement, the definitions set forth above are incorporated into this Section 1 by reference. The following terms have the meanings set out respectively after each term, and its meaning is equally applicable to both the singular and plural forms of the term defined:

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

(b) “City CDBG Loan” means a loan from the City through its Community Development Block Grant Program to Borrower in an original principal amount of \$200,000.00.

(c) “City CDBG Loan Documents” means those documents listed in **Exhibit D** attached to this Agreement which evidence and secure the repayment of the City CDBG Loan.

(d) “City HIF Loan” means a loan from the City through its Housing Investment Fund Program to Borrower in an original principal amount of \$50,000.00.

(e) “City HIF Loan Documents” means those documents listed in **Exhibit E** attached to this Agreement which evidence and secure the repayment of the City HIF Loan.

(f) “City HOME Loan 1” means a loan from the City through its HOME Investment Partnerships Program to Borrower in an original principal amount of \$123,346.00.

(g) “City HOME Loan 1 Documents” means those documents listed in **Exhibit F** attached to this Agreement which evidence and secure the repayment of the City HOME Loan 1.

(h) “City HOME Loan 2” means a loan from the City through its HOME Investment Partnerships Program to Borrower in an original principal amount of \$94,125.00.

(i) “City HOME Loan 2 Documents” means those documents listed in **Exhibit G** attached to this Agreement which evidence and secure the repayment of the City HOME Loan 2.

(j) “City HOME Loan 3” means a loan from the City through its HOME Investment Partnerships Program to Borrower in an original principal amount of \$200,255.00.

(k) “City HOME Loan 3 Documents” means those documents listed in **Exhibit H** attached to this Agreement which evidence and secure the repayment of the HOME Loan 3.

(l) “GMHF Loan” means a loan from GMHF to Borrower in an original principal amount of \$300,000.00.

(m) “GMHF Loan Documents” means those documents listed in **Exhibit C** attached to this Agreement which evidence and secure the repayment of the GMHF Loan.

(n) “MHFA HI Loan” means a loan from MHFA through its Housing Infrastructure Program to Borrower in an original principal amount of \$10,998,000.00.

(o) “MHFA HI Loan Documents” means those documents listed in **Exhibit B** attached to this Agreement which evidence and secure the repayment of the MHFA HI Loan.

(p) “MHFA HOME Declaration” means the Declaration of Restrictive Covenants and Restrictions (HOME) dated April 4, 2006, and filed of record May 4, 2006 in the Office of the Registrar of Titles for St. Louis County, Minnesota as Document No. 817102.0, and filed of record May 4, 2006 in the Office of the County Recorder for St. Louis County, Minnesota as Document No. 01016817, executed by Borrower in favor of MHFA pursuant to the MHFA HOME Rental Rehabilitation Program.

(q) “SHP Declaration” shall mean the Declaration of Restrictive Covenants dated April 4, 2006, and filed of record May 4, 2006 in the Office of the Registrar of Titles for St. Louis County, Minnesota as Document No. 817095.0, and filed of record May 4, 2006 in the Office of the County Recorder for St. Louis County, Minnesota as Document No. 01016812, executed by the Borrower in favor of the United States Department of Housing and Urban Development (“HUD”) pursuant to HUD’s Supportive Housing Grant Program.

2. **Consent to Loans, Liens and Encumbrances.** The parties agree and consent to all of the Loans, the SHP Declaration, and the MHFA HOME Declaration, and agree that all of the liens and encumbrances created by the Loan Documents, the SHP Declaration, and the MHFA HOME Declaration are deemed to be permitted encumbrances under their respective Loan Documents. The parties further agree to execute any and all documents that any party to this Agreement may reasonably request in order to document that the liens and encumbrances are permitted encumbrances under their respective Loan Documents.

3. **Use of Loan Documents.** The parties agree and consent to the use of the Loan Documents set forth in the attached exhibits in conjunction with the Loan referenced in each exhibit. In addition, each party, as to the Loan Documents that correspond to one of its Loans, does hereby covenant, warrant, consent and agree that (i) the described Loan Documents are all of the documents that the party has entered into regarding the corresponding Loan, (ii) there are no documents relating to its Loan other than the described Loan Documents for its Loan, (iii) it will not enter into any other document for its Loan that would adversely impact any other party

or parties to this Agreement without the prior written consent of the party or parties (excluding documentation of amounts having been advanced by a party for the protection of its security interest or lien priority pursuant to the Loan Documents), (iv) any existing document or documents that may come into existence in the future to which a party is or becomes a party or from which a party obtains a benefit that is different from the benefits that the other parties have received or will receive, and that is not listed in the Loan Documents set forth in this Agreement for the Loan, will be of no force or effect until approved and consented to in writing by all of the parties to this Agreement upon which the document has, or will have, an adverse effect (excluding documentation of amounts having been advanced by a party for the protection of its security interest or lien priority pursuant to the Loan Documents), and upon written approval, the documents will automatically be considered to be included in the exhibit to this Agreement setting forth the Loan Documents for the Loan. The other parties to this Agreement will execute any document that may reasonably be requested in order to include the document in the exhibit.

4. Subordination of Loans and Loan Documents.

(a) Loan Priority. Except as specifically provided below, each party agrees to the following priority of the Loan Documents, the SHP Declaration, and the MHFA HOME Declaration and any and all the liens and encumbrances created by the Loan Documents, the SHP Declaration, and the MHFA HOME Declaration, and subordinates its respective Loan Documents and the liens and encumbrances created by its respective Loan Documents to the Loan Documents, the SHP Declaration, and the MHFA HOME Declaration and liens and encumbrances created by the Loan Documents, the SHP Declaration, and the MHFA HOME Declaration that are listed as having a priority over its Loan Documents and the liens and encumbrances created by its respective Loan Documents:

Loan Documents and Liens and Encumbrances Created by the Loan Documents	Party to the Loan Documents and Holder of Liens and Encumbrances Created by the Loan Documents	Order of Priority
SHP Declaration	HUD	First
MHFA HI Loan Documents	MHFA	Second
MHFA HOME Declaration	MHFA	Third
GMHF Loan Documents	GMHF	Fourth
City CDBG Loan Documents	GMHF	Fifth
City HIF Loan Documents	City	Sixth
City HOME Loan Documents	City	Seventh
Loan 1 Loan Documents		
City HOME Loan 2 Loan Documents	City	Eighth
City HOME Loan 3 Loan Documents	City	Ninth

5. **Interpretation.** The parties are entering into and executing this Agreement in order to establish the subordination and priority of the Loan Documents, the SHP Declaration, and the MHFA HOME Declaration and any liens and encumbrances created by the Loan Documents, the SHP Declaration, and the MHFA HOME Declaration, and, accordingly, the parties agree, understand, and acknowledge that the enforceability of this Agreement is not, and will not be, restricted, limited, or impaired by the fact that not all of the parties to this Agreement are signatories to each or any of the Loan Documents, the SHP Declaration, and the MHFA HOME Declaration.

6. **Most Restrictive Requirements.** Notwithstanding the order of priority and subordinations granted in this Agreement, the Borrower will comply not only with the Loan Documents having first priority but with all Loan Documents. For example, if a party's Loan Documents contain rent, income or occupancy requirements that are more restrictive than Loan Documents that are more senior in priority, then the Borrower will comply with the more restrictive Loan Documents for as long as they remain in effect.

7. **Absence of Events of Default and Compliance with Closing Requirements.** Each party states, represents, and warrants that as to each of its individual Loans, (i) its Loans have been duly closed, (ii) there are no events of default, or events that with the passage of time could constitute an event of default, currently existing with respect to any of its Loans, and (iii) all of its Loans are in good standing.

8. **Notice of Default and Cure Rights.** Each party will deliver to the other parties a default notice within five business days in each case where a party has given a default notice to Borrower (provided that each party will have no liability to any party for failure to timely give notice). Failure of the notifying party to send a default notice to the other parties will not prevent the exercise of the notifying party's rights and remedies under the Loan Documents, subject to the provisions of this Agreement. The other parties will have the opportunity, but not the obligation, to cure any default within 60 days following the date of the notice; provided, however that the notifying party will be entitled, during the 60-day period, to continue to pursue its rights and remedies under the Loan Documents.

9. **Use of Insurance and Condemnation Proceeds.** Notwithstanding any provisions to the contrary contained in this Agreement or in any of the Loan Documents, the parties agree that any and all insurance and/or condemnation proceeds will be used first to repair or reinstate the Development. If there are any remaining proceeds, or if the amounts are insufficient to repair or reinstate the Development, or if the Development cannot be repaired or reinstated, then the proceeds will be used to pay off the Loans in order of the priority of the Loan Documents specified in this Agreement.

10. **Agreement Not to Commence Bankruptcy Proceeding.** The parties agree that during the term of this Agreement they will not commence, or join with any other creditor in commencing, any Bankruptcy Proceeding with respect to Borrower, without the other parties' prior written consents.

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

12. **Execution in Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be an original but all of which will constitute one instrument.

(THE REMAINING PORTION OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the parties have executed this Master Subordination Agreement and Estoppel Certificate as of the date first written above.

CC SAN MARCO, LLC
a Minnesota limited liability company

By: New San Marco Apartments, LLC
a Minnesota limited liability company
Managing Member

By: Center City Housing Corp.
a Minnesota nonprofit corporation
Sole Member

By: _____
Nancy Cashman, Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by Nancy Cashman, Executive Director of Center City Housing Corp, a Minnesota nonprofit corporation, Sole Member of New San Marco Apartments, LLC, a Minnesota limited liability company, Member of CC San Marco, LLC, a Minnesota limited liability company, on behalf of the corporation and the limited liability companies.

Notary Public

THIS DOCUMENT WAS DRAFTED BY:
Minnesota Housing Finance Agency
400 Wabasha Street North, Suite 400
St. Paul, MN 55102-1109

MHFA:

MINNESOTA HOUSING FINANCE AGENCY

By: _____
James Lehnhoff
Assistant Commissioner, Multifamily

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

The foregoing instrument was acknowledged before me this _____ day of _____, 2025, by James Lehnhoff, Assistant Commissioner, Multifamily of the Minnesota Housing Finance Agency, on behalf of the agency.

Notary Public

GMHF:

GREATER MINNESOTA HOUSING FUND

a Minnesota non-profit corporation

By: _____

Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
20____, by _____ the _____ of Greater Minnesota Housing Fund,
a Minnesota non-profit corporation, on behalf of the corporation.

Notary Public

Exhibit A
LEGAL DESCRIPTION

Parcel I:

Lot 44, WEST THIRD STREET, DULUTH PROPER FIRST DIVISION, St. Louis County,
Minnesota.
(Torrens)

Parcel II:

Lots 46 and 48, WEST THIRD STREET, DULUTH PROPER FIRST DIVISION, St. Louis
County, Minnesota.
(Abstract)

Exhibit B
MHFA HI LOAN DOCUMENTS

[To be delineated.]

Exhibit C
GMHF LOAN DOCUMENTS

[To be delineated.]

Exhibit D
CITY CDBG LOAN DOCUMENTS

[To be delineated.]

Exhibit E
CITY HIF LOAN DOCUMENTS

[To be delineated.]

Exhibit F
CITY HOME LOAN 1 DOCUMENTS

[To be delineated.]

Exhibit G
CITY HOME LOAN 2 DOCUMENTS

[To be delineated.]

Exhibit H
CITY HOME LOAN 3 DOCUMENTS

[To be delineated.]