

SUBORDINATION AGREEMENT

BT-19849

THIS SUBORDINATION AGREEMENT (this "**Agreement**") is entered into as of January 7, 2022 by and among SDP REIT, LLC, a Delaware limited liability company ("**SDP REIT**"), SDP FINANCIAL 2020, LP, a Delaware limited partnership ("**SDP 2020**," and together with SDP REIT, "**Senior lender**"), and RED LEDGES LAND DEVELOPMENT, INC., a Florida corporation ("**Junior Lender**," and together with Senior Lender, the "**Lenders**").

A. Effective as of January 7, 2022, Hillwood Homes at Red Ledges, LLC, a Utah limited liability company ("**Borrower**"), made, executed and delivered to Senior Lender a certain Secured Promissory Note payable to Senior Lender in the original principal amount of \$27,226,161.00 (the "**Senior Note**").

B. The Senior Note is secured by a Trust Deed, Assignment of Rents, Security Agreement, and Fixture Filing dated January 7, 2022 executed by Borrower for the benefit of Senior Lender (the "**Senior Trust Deed**," and together with the Senior Note and all other documents entered into in conjunction with the Senior Note, the "**Senior Loan Documents**"), recorded on January 12, 2022 as Entry No. 513684 in the official records of Wasatch County, Utah, and encumbering certain real property (the "**Property**") situated in Wasatch County, Utah, and more particularly described on Exhibit A hereto.

C. Effective as of the date hereof, Junior Lender is extending credit (the "**Junior Loan**") to Borrower pursuant to a Secured Promissory Note in the original face amount of \$4,310,762.20.00 (the "**Junior Note**").

D. The Junior Loan is secured by a Trust Deed, Security Agreement, and Financing Statement of even date herewith (the "**Junior Trust Deed**," and together with the Junior Note and all other documents entered into in conjunction with the Junior Note, the "**Junior Loan Documents**," and the Junior Loan Documents together with the Senior Loan Documents, the "**Lender Loan Documents**"), executed by Borrower, as Trustor, for the benefit of Junior Lender, as Beneficiary, and encumbering the Property, as more particularly described in the Junior Trust Deed.

E. As a condition to Senior Lender consenting to the Junior Loan and Junior Lender making the Junior Loan, and to establish priority with respect to the Property, Senior Lender and Junior Lender have agreed to enter into this Agreement whereby Junior Lender and Senior Lender shall establish their respective priorities as to their security interests in the Property.

NOW, THEREFORE, in consideration of the mutual agreements set out herein, the Lenders agree as follows:

1. Subordination. Junior Lender hereby subordinates all indebtedness evidenced by the Junior Note and the other Junior Loan Documents, now or hereafter existing, to the Senior Note and the other Senior Loan Documents, including all extensions, renewals, amendments, modifications and refinancings of any such Senior Loan Document. Moreover, regardless of any priority otherwise available to Junior Lender by law or by agreement, any security interest, lien, claim or right Junior Lender may now hold or

hereafter acquire in the Property as well as any other real property or other collateral that is subject to the Senior Trust Deed or otherwise secures the Senior Note (including without limitation all assets of Borrower), including without limitation through the Junior Trust Deed, shall be and remain fully subordinated and junior for all purposes to the Senior Trust Deed and the other Senior Loan Documents, including without limitation all liens, rights, and obligations created by or arising under the Senior Loan Documents, including all modifications to and extensions thereof.

2. Junior Debt. Provided Senior Lender receives a payment in the amount of \$950,000.00 from the sale of each applicable lot/finished home within the Property and, provided further, that no event of default has occurred and is continuing under the Senior Note, Junior Lender may receive payments from Borrower in accordance with the terms and provisions of the Junior Loan Documents. Notwithstanding the foregoing, during the continuance of any event of default under the Junior Note, or if Senior Lender has not already received the Senior Lender Release Payment for any applicable lot/finished home, Junior Lender will not demand, receive or accept any payment of any kind, including without limitation any principal or interest payment from Borrower in respect of its Junior Loan Documents or any other debt Borrower owes to Junior Lender until either (a) the Senior Note has been paid in full, or (b) Senior Lender notifies Junior Lender in writing that it may receive payments under the Junior Loan Documents or otherwise.

3. Receipt of Unauthorized Payments. In the event that Junior Lender shall receive any payment on its Junior Loan or otherwise which Junior Lender is not entitled to receive under the provisions of the foregoing Section 2, Junior Lender will hold the amount so received in trust for Senior Lender and will forthwith turn over such payment to Senior Lender in the form received (except for the endorsement of Junior Lender where necessary) for application on the then existing Senior Loan (whether due or not due), in such manner of application as Senior Lender may deem appropriate. In the event of the failure of Junior Lender to make any endorsement required under this Agreement, Senior Lender, or any of its officers or employees on behalf of Senior Lender, is hereby irrevocably appointed as attorney-in-fact (which appointment is coupled with an interest) for Junior Lender to make the same in Junior Lender's name.

4. Actions Regarding the Property. Except as expressly authorized by the provisions of this Agreement, Junior Lender will not accelerate the maturity of the Junior Note, commence any action or proceeding against Borrower to recover all or any part of any unpaid amount of the Junior Note, exercise or enforce any right or remedy against Borrower or the Property, or join with any creditor (unless Senior Lender shall so join) in bringing any proceedings against Borrower or the Property under any bankruptcy, reorganization, readjustment of debt, arrangement of debt, receivership, liquidation or insolvency law or statute of the federal or any state government, unless and until the Senior Note has been paid in full. Moreover, Junior Lender shall not have a right to take any action with respect to the Property, whether by judicial or non-judicial foreclosure, notification to Borrower's account debtors, the seeking of the appointment of a receiver for any portion of Borrower's assets, setoff, or otherwise, unless and until the Senior Note has been fully paid. Finally, Junior Lender agrees to not object to or take any action to delay or hinder in any way any proposed sale of the Property to which Senior Lender has consented, so long as such sale is an arms'-length transaction. If Junior Lender, in contravention of the terms of this Agreement, shall commence, prosecute, or participate

in any suit, action, or proceeding against Borrower or initiate any foreclosure sale or proceeding or any other action to enforce its lien on any of the Property, or take any action whatsoever to object to, hinder or delay any sale of the Property approved by Senior Lender (provided such sale is at arms'-length), then Borrower may interpose as a defense or plead the making of this Agreement, and Senior Lender may intervene and interpose such defense or plea in its name or in the name of Borrower. If Junior Lender, in contravention of the terms of this Agreement, shall attempt to enforce any remedies prohibited by this Agreement, then Senior Lender may, by virtue of this Agreement, restrain the enforcement thereof in the name of Senior Lender or in the name of Borrower.

5. Representations of the Lenders. Each Lender warrants, covenants and represents to the other Lender that: (a) it is the owner of its respective debt made by Borrower, free and clear of the claims of any other party; (b) Borrower does not owe any indebtedness to such Lender except the indebtedness evidenced by such Lender's respective Note; (c) it is the beneficiary or lender named on all Lender Loan Documents and other documents recorded with the Wasatch County, Utah Recorder's Office or entered into with Borrower with respect to the Property; and (d) it will not, at any time while this Agreement is in effect, assign any of its liens against the Property to any entity or person which does not agree in a writing, satisfactory in form and substance to the other Lender (the "**Property Transfer Document**"), to become a party hereto and to succeed to the rights and to be bound by all of the obligations of the transferring Lender hereunder (in the case of any such proposed disposition by a Lender, it will notify the other Lender at least ten (10) days prior to the date of any of such intended disposition and include with such notice a copy of the proposed Property Transfer Document).

6. Modifications of Lender Loan Documents. Each Lender agrees that the other Lender may modify any terms of its respective Lender Loan Documents; *provided, however,* that notwithstanding anything to the contrary in this Agreement, Junior Lender may not make any amendment to any of the Junior Lender Loan Documents that results in an increase in the Junior Note balance or the interest rate applicable to the Junior Note without Senior Lender's prior written consent. No such modification shall in any way impair the priority of the Senior Lender Loan Documents hereunder.

7. Notice of Breach; Opportunity to Cure. Each Lender hereby covenants and agrees to notify the other Lender hereto upon the occurrence of any event of default under its respective Note. Upon receipt of such notice, the receiving Lender shall have the same opportunity to cure the applicable breach granted to Borrower in its applicable Lender Loan Documents. Additionally, if the breach is not cured within the applicable cure period, the receiving Lender shall have the option (but not the obligation) to purchase from the other Lender, and the other Lender agrees to sell to the receiving Lender, such Lender's Lender Loan Documents, for a purchase price equal to the then-current outstanding balance of such selling Lender's respective Note (including, without limitation, all interest (including default interest), fees, costs, and other amounts accruing thereunder as of the applicable closing date); provided that the selling Lender receives the full purchase price for its Note within thirty (30) days of the end of the applicable cure period for the applicable default giving rise to such purchase right.

8. Remedies. Any breach hereof is likely to cause irreparable damage to the aggrieved party. Therefore, the relief to which such party shall be entitled in such event

shall include, but not be limited to: (a) a mandatory injunction for specific performance, (b) judicial relief to prevent a violation of any of the provisions of this Agreement, (c) damages, and (d) any other relief to which it may be entitled at law or in equity.

9. Miscellaneous. If there are any legal proceedings arising out of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and disbursements, in addition to any other relief to which such party may be entitled. This Agreement shall be binding on and inure to the benefit of the respective successors, heirs and assigns of the parties hereto. If any one of the provisions contained in this Agreement, for any reason, shall be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall remain in full force and effect and be construed as if the invalid, illegal or unenforceable provision had never been contained herein. This Agreement is governed by the internal laws of the State of Utah without reference to choice of law rules. Each party hereto agrees to submit to the exclusive jurisdiction of Salt Lake County, Utah in the event of any litigation involving this Agreement. The parties hereto hereby agree to execute any and all other further documents, agreements, or instruments and to take such other steps as from time to time are necessary in order to effectuate the purposes of the foregoing. This Agreement may be signed in counterparts and by signature sent by facsimile, each of which shall be deemed to be an original, and all of which together shall constitute one and the same binding document. This Agreement may not be amended or waived except in a writing executed by the party against which such amendment or waiver is sought to be enforced. No course of dealing between or among any persons having any interest in this Agreement will be deemed effective to modify or amend any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement.

[SIGNATURE PAGE ON NEXT PAGE]

[SIGNATURE PAGE OF SENIOR LENDER]

SENIOR LENDER:

SDP REIT, LLC,
a Delaware limited liability company

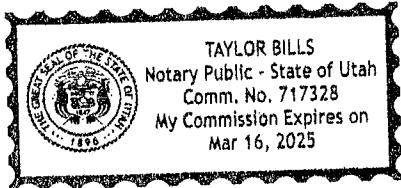
By: [Signature]
Name: ANDREW PETERSON
Title: AUTHORIZED SIGNER

ACKNOWLEDGMENT

STATE OF UTAH)
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 7th day of JANUARY, 2022, by ANDREW PETERSON, as AUTHORIZED SIGNER of SDP REIT, LLC, a Delaware limited liability company, on behalf of said company.

[Signature]
Notary Public for ~~Utah~~ SALT LAKE COUNTY
My Commission expires: 3/16/2025



[SIGNATURE PAGE OF SENIOR LENDER]

SENIOR LENDER:

SDP FINANCIAL 2020, LP,
a Delaware limited partnership

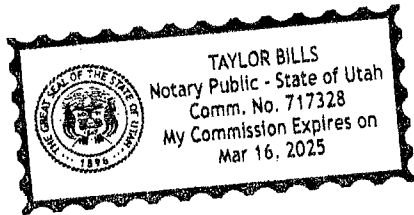
By: Sundance Bay Debt Partners GP, LLC
a Delaware limited liability company, its
General Partner

By: [Signature]
Name: ANDREW PETERSON
Title: AUTHORIZED SIGNER

ACKNOWLEDGMENT

STATE OF UTAH)
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 7th day of JANUARY, 2022, by ANDREW PETERSON, as AUTHORIZED SIGNER of SDP FINANCIAL 2020, LP, a Delaware limited partnership, on behalf of said company.



[Signature]
Notary Public for Utah Salt Lake County
My Commission expires: 3/16/2025

[SIGNATURE PAGE OF JUNIOR LENDER]

JUNIOR LENDER:

RED LEDGES LAND DEVELOPMENT, INC.,
a Florida corporation

By: [Signature]
Name: TODD R. CATES
Title: VP/CFO

ACKNOWLEDGMENT

STATE OF Utah)
COUNTY OF Wasatch)

The foregoing instrument was acknowledged before me this 10 day of January, 2022, by Todd Cates, as VP of RED LEDGES LAND DEVELOPMENT, INC., a Florida corporation, on behalf of said company.

[Signature]

Notary Public for State of Utah
My Commission expires: July 17, 2023

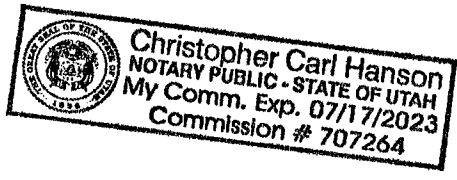


EXHIBIT A

DESCRIPTION OF THE REAL PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN WASATCH COUNTY, UTAH AND IS DESCRIBED AS FOLLOWS:

All of Units 1, 2 and 3 of Buildings A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, RED LEDGES PHASE 3L VILLAS, according to the official plat thereof on file and of record in the Wasatch County Recorder's Office.

Together with the right to use and enjoy the common area set forth and delineated in the Record of Survey Map recorded December 10, 2021 as Entry No. 511992 in Book 1389 at Page 69 in the Wasatch County Recorder's Office, and further defined in that certain Declaration of Covenants, Conditions and Restrictions recorded October 11, 2007 as Entry No. 327154 in Book 951 at Page 1779 in the Wasatch County Recorder's Office, as the same may have heretofore been amended or supplemented.

(00-0020-7130)