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Commonwealth Land Title Company



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San Bernardino County

Assessor-Recorder-County Clerk

DOC# 2025-0306479

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Ann J. McGill
Kutak Rock LLP
1650 Farnam Street
Omaha, Nebraska 68102

12/16/2025
09:00 AM
SAN
J9534

Titles: 1	Pages: 22
Fees	\$0.00
Taxes	\$0.00
CA SB2 Fee	\$0.00
Total	\$0.00

9175398

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "Agreement") is dated for reference purposes as of November 18, 2025, by and between **BANC OF CALIFORNIA** (together with its successors and assigns, the "Senior Lender") and **SAN BERNARDINO COUNTY**, a political subdivision of the State of California (the "Subordinate Lender").

RECITALS

A. E Street Veterans Apartments, LP, a California limited partnership ("Borrower") is the owner of certain real property located in San Bernardino, California, as more particularly described in Exhibit A attached hereto (the "Land") upon which Borrower intends to construct and operate a multifamily housing facility and related facilities (the "Improvements" and together with the Land, the "Property").

B. Pursuant to the terms of that certain Loan Agreement dated as of December 1, 2025 (as amended, modified or supplemented from time to time, the "Loan Agreement"), Senior Lender has agreed to make and Borrower has agreed to accept a loan in an amount not to exceed \$12,000,000 (the "Loan"), which Loan will be evidenced by a promissory note from Borrower to the Bank (as amended, modified or supplemented from time to time, the "Note"). The Borrower's obligations under the Note and the Loan Agreement will be secured by a Deed of Trust, Security Agreement, Absolute Assignment of Leases and Rents and Fixture Filing recorded against the Property dated as of the date hereof (as amended, modified or supplemented from time to time, the "Deed of Trust"). The Note, the Loan Agreement, the Deed of Trust, the Construction Disbursement Agreement, the Guaranty and any of the other documents evidencing or related to the Loan are collectively referred to as the "Senior Loan Documents." Other capitalized terms used but not defined in this Agreement will have the meanings given to those terms in the Loan Agreement.

*Recorded 12/15/2025 as inst. no 2025-0305789 in the official records of San Bernardino County, California.

C. Subordinate Lender has made or is making a loan to Borrower in the original aggregate principal amount of \$5,000,000 ("Subordinate Loan"). The Subordinate Loan is or will be evidenced by a Promissory Note dated as of November 18, 2025 (the "Subordinate Note"). As a condition of the Subordinate Loan, Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants (E Street - US Vets) recorded ~~concurrently herewith~~ (as the same may be amended, the "Subordinate Lender Regulatory Agreement"). The Subordinate Loan

* 12/15/2025 as inst. no 2025-0306797 in the official records of San Bernardino County, California.

is or will be secured by a ^{*}Deed of Trust with Assignment of Rents, Security Agreement, and Fixture Filing dated November 18, 2025 ("Subordinate Mortgage") encumbering the Mortgaged Property. The Subordinate Mortgage, Subordinate Note, and any of the other documents evidencing or related to the Subordinate Loan shall be collectively referred to herein as the "Subordinate Loan Documents", but specifically excluding the Subordinate Lender Regulatory Agreement which shall at all time remain a senior lien.

** recorded 12/15/2025 as inst. no 2025-0305790 in the official records of San Bernardino County, California*

D. The execution and delivery of this Agreement by Subordinate Lender is a condition precedent to the making of the Senior Loan.

AGREEMENTS

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Definitions.** As used herein, the following terms have the meanings set forth below:

"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 Senior Loan, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.

"Business Day(s)" shall have the meaning assigned to such term in the Loan Agreement.

"Casualty" means the occurrence of damage to or loss of all or any portion of the Property by fire or other casualty.

"Condemnation" means any action or proceeding or notice relating to any proposed or actual condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Project, whether direct or indirect.

"Enforcement Action" means any of the following actions taken by or at the direction of Subordinate Lender pursuant to the Subordinate Loan Documents or the Subordinate Lender Regulatory Agreement: the acceleration of all or any part of the Subordinate Loan, the advertising of or commencement of any foreclosure or trustee's sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of Rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Property, the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the Subordinate Loan Documents, the exercising of any banker's lien or rights of set-off or recoupment, or the exercise of any other remedial action against Borrower, any other party liable for the Subordinate Loan or obligated under any of the Subordinate Loan Documents, or the Property.

"Enforcement Action Notice" means a written notice from Subordinate Lender to Senior Lender, given following one or more Subordinate Loan Default(s) and the expiration of any notice or cure periods provided for such Subordinate Loan Default(s) in the Subordinate Loan

Documents, setting forth in reasonable detail the Subordinate Loan Default(s) and the Enforcement Actions proposed to be taken by Subordinate Lender.

“Loss Proceeds” means all monies received or to be received under any insurance policy, from any condemning authority, or from any other source, as a result of any Condemnation or Casualty.

“Rents” will have the meaning given to that term in the Loan Agreement.

“Senior Loan Default” means any act, failure to act, event, condition, or occurrence which constitutes, or which with the giving of Notice or the passage of time, or both, would constitute, an “Event of Default” as defined in the Senior Loan Documents.

“Subordinate Loan Default” means any act, failure to act, event, condition, or occurrence which allows (but for any contrary provision of this Agreement), or which with the giving of Notice or the passage of time, or both, would allow (but for any contrary provision of this Agreement), Subordinate Lender to take an Enforcement Action.

2. Subordination of Subordinate Loan.

a. The Subordinate Loan is and will at all times continue to be subject and subordinate in right of payment to the prior payment in full of the Senior Loan.

b. Until the occurrence of an Event of Default (as defined in the Senior Loan Documents) under the Senior Loan Documents, Subordinate Lender will be entitled to retain for its own account all payments made on account of the principal of and interest on the Subordinate Loan in accordance with the requirements of the Subordinate Loan Documents. However, immediately upon Subordinate Lender’s receipt of Notice (as defined in Section 6.d. herein) or actual knowledge of an Event of Default, Subordinate Lender will not accept any payments on account of the Subordinate Loan, and the provisions of Section 2.c. of this Agreement will apply. Subordinate Lender acknowledges that a Subordinate Loan Default constitutes a Senior Loan Default. Accordingly, upon the occurrence of a Subordinate Loan Default, Subordinate Lender will be deemed to have actual knowledge of a Senior Loan Default.

c. If (i) Subordinate Lender receives any payment, property, or asset of any kind or in any form on account of the Subordinate Loan (including any proceeds from any Enforcement Action) after a Senior Loan Default of which such Subordinate Lender has actual knowledge (or is deemed to have actual knowledge as provided in 2.b. above) or has been given Notice, or (ii) Subordinate Lender receives, voluntarily or involuntarily, by operation of law or otherwise, any payment, property, or asset in or in connection with any Bankruptcy Proceeding, such payment, property, or asset will be received and held in trust for Senior Lender. Subordinate Lender will promptly remit, in kind and properly endorsed as necessary, all such payments, properties, and assets to Senior Lender. Senior Lender will apply any payment, asset, or property so received from Subordinate Lender to the Senior Loan in such order, amount (with respect to any asset or property other than immediately available funds), and manner as Senior Lender determines in its sole and absolute discretion.

d. Without limiting the complete subordination of the Subordinate Loan to the payment in full of the Senior Loan, in any Bankruptcy Proceeding, upon any payment or distribution (whether in cash, property, securities, or otherwise) to creditors (i) the Senior Loan will first be paid in full in cash before Subordinate Lender will be entitled to receive any payment or other distribution on account of or in respect of the Subordinate Loan, and (ii) until all of the Senior Loan is paid in full in cash, any payment or distribution to which Subordinate Lender would be entitled but for this Agreement (whether in cash, property, or other assets) will be made to Senior Lender.

e. The subordination of the Subordinate Loan will continue if any payment under the Senior 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 such event, any or all of the Senior Loan 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 such payment on account of the Senior Loan had not been made.

3. Subordination of Subordinate Loan Documents.

a. Each of the Subordinate Loan Documents is, and will at all times remain, subject and subordinate in all respects to the liens, terms, covenants, conditions, operations, and effects of each of the Senior Loan Documents, except for the Subordinate Lender Regulatory Agreement which at all times shall remain a senior lien.

b. The subordination of the Subordinate Loan Documents and of the Subordinate Loan will apply and continue notwithstanding (i) the actual date and time of execution, delivery, recording, filing or perfection of each of the Senior Loan Documents and of each of the Subordinate Loan Documents, and (ii) the availability of any collateral to Senior Lender, including the availability of any collateral other than the Property.

c. By reason of, and without in any way limiting, the full subordination of the Subordinate Loan and the Subordinate Loan Documents provided for in this Agreement, all rights and claims of Subordinate Lender under the Subordinate Loan Documents in or to all or any portion of the Property are expressly subject and subordinate in all respects to the rights and claims of Senior Lender under the Senior Loan Documents in or to the Property.

d. If Subordinate Lender, by indemnification, subrogation or otherwise, acquires any lien, estate, right or other interest in any of the Property, then that lien, estate, right or other interest will be fully subject and subordinate to the receipt by Senior Lender of payment in full of the Senior Loan, and to the Senior Loan Documents, to the same extent as the Subordinate Loan and the Subordinate Loan Documents are subordinate pursuant to this Agreement.

4. Additional Representations and Covenants.

a. Subordinate Lender represents and warrants with respect to the Subordinate Loan that each of the following is true:

- i. Subordinate Lender is now the owner and holder of the Subordinate Loan Documents and the Subordinate Lender Regulatory Agreement.
- ii. The Subordinate Loan Documents and the Subordinate Lender Regulatory Agreement are now in full force and effect.
- iii. The Subordinate Loan Documents and the Subordinate Lender Regulatory Agreement have not been modified or amended.
- iv. No Subordinate Loan Default has occurred with respect to the Subordinate Loan.
- v. None of the rights of Subordinate Lender under any of the Subordinate Loan Documents or the Subordinate Lender Regulatory Agreement are subject to the rights of any third parties, by way of subrogation, indemnification or otherwise.

b. Without the prior written consent of Senior Lender in each instance, Subordinate Lender will not do any of the following:

- i. Amend, modify, waive, extend, renew, or replace any provision of any of the Subordinate Loan Documents or Subordinate Lender Regulatory Agreement.
- ii. Pledge, assign, transfer, convey, or sell any interest in the Subordinate Loan or any of the Subordinate Loan Documents.
- iii. Accept any payment on account of the Subordinate Loan other than a regularly scheduled payment of interest or principal and interest made not earlier than 10 days prior to its due date, or as expressly authorized in Section 4(i) below.
- iv. Take any action which has the effect of increasing the amount of the Subordinate Loan.
- v. Appear in, defend or bring any action to protect Subordinate Lender's interest in the Property.

c. Subordinate Lender will deliver to Senior Lender a copy of each Notice of a Subordinate Loan Default delivered by Subordinate Lender pursuant to the Subordinate Loan Documents or the Subordinate Lender Regulatory Agreement or in connection with the Subordinate Loan, simultaneously with Subordinate Lender's delivery of Notice of a Subordinate Loan Default to Borrower. Senior Lender will deliver to Subordinate Lender in the manner required in Section 5.b. a copy of each Notice of a Senior Loan Default delivered to Borrower by Senior Lender. Neither giving nor failing to give a Notice to Senior Lender or Subordinate Lender pursuant to this Section 4.c. will affect the validity of any Notice given by Senior Lender or Subordinate Lender to Borrower, as between Borrower and such of Senior Lender or Subordinate Lender as provided the Notice to Borrower.

d. Without the prior written consent of Senior Lender in each instance, Subordinate Lender will not commence, or join with any other creditor in commencing, any Bankruptcy Proceeding. In the event of a Bankruptcy Proceeding, Subordinate Lender will not vote affirmatively in favor of any plan of reorganization or liquidation unless Senior Lender has also voted affirmatively in favor of such plan. In the event of any Bankruptcy Proceeding, Subordinate Lender will not contest the continued accrual of interest on the Senior Loan, in accordance with and at the rates specified in the Senior Loan Documents, both for periods before and for periods after the commencement of such Bankruptcy Proceedings.

e. Whenever the Subordinate Loan Documents or the Subordinate Lender Regulatory Agreement give a Subordinate Lender approval or consent rights with respect to any matter, and a right of approval or consent with regard to the same or substantially the same matter is also granted to Senior Lender pursuant to the Senior Loan Documents or otherwise, Senior Lender's approval or consent or failure to approve or consent, as the case may be, will be binding on Subordinate Lender. None of the other provisions of this Section 4 are intended to be in any way in limitation of the provisions of this Section 4.e.

f. All requirements pertaining to insurance under the Subordinate Loan Documents (including requirements relating to amounts and types of coverages, deductibles and special endorsements) will be deemed satisfied if Borrower complies with the insurance requirements under the Senior Loan Documents and of Senior Lender. All original policies of insurance required pursuant to the Senior Loan Documents will be held by Senior Lender. Nothing in this Section 4.f. will preclude Subordinate Lender from requiring that it be named as a mortgagee and loss payee, as its interest may appear, under all policies of property damage insurance maintained by Borrower with respect to the Property, provided such action does not affect the priority of payment of Loss Proceeds, or that Subordinate Lender be named as an additional insured under all policies of liability insurance maintained by Borrower with respect to the Property.

g. In the event of a Condemnation or a Casualty, all of the following provisions will apply:

- i. The rights of Subordinate Lender to participate in any proceeding or action relating to a Condemnation or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Condemnation or a Casualty, will be and remain subordinate in all respects to Senior Lender's rights under the Senior Loan Documents with respect thereto, and Subordinate Lender will be bound by any settlement or adjustment of a claim resulting from a Condemnation or a Casualty made by Senior Lender.
- ii. All Loss Proceeds will be applied either to payment of the costs and expenses of restoration or to payment on account of the Senior Loan, as and in the manner determined by Senior Lender in its sole discretion.
- iii. If Senior Lender applies or releases Loss Proceeds for the purposes of restoration of the Property, then Subordinate Lender will release for such purpose all of their right, title and interest, if any, in and to such Loss Proceeds. If Senior Lender holds Loss Proceeds, or monitors the

disbursement thereof, Subordinate Lender will not do so. Nothing contained in this Agreement will be deemed to require Senior Lender to act for or on behalf of Subordinate Lender in connection with any restoration or to hold or monitor any Loss Proceeds in trust for or otherwise on behalf of Subordinate Lender, and all or any Loss Proceeds may be commingled with any funds of Senior Lender.

- iv. If Senior Lender elects to apply Loss Proceeds to payment on account of the Senior Loan, and if the application of such Loss Proceeds results in the payment in full of the entire Senior Loan, any remaining Loss Proceeds held by Senior Lender will be paid to Subordinate Lender unless another party has asserted a claim to the remaining Loss Proceeds until that claim is resolved either by agreement between the Subordinate Lender and the claimant(s) or a final court judgment.

h. Except as provided in this Section 4.h., and regardless of any contrary provision in the Subordinate Loan Documents, Subordinate Lender will not collect payments for the purpose of escrowing for any cost or expense related to the Property ("Impositions") or for any portion of the Subordinate Loan. However, if Senior Lender is not collecting escrow payments for one or more Impositions, Subordinate Lender may collect escrow payments for such Impositions; provided that all payments so collected by Subordinate Lender will be held in trust by Subordinate Lender to be applied only to the payment of such Impositions.

i. Within ten (10) business days after request by Senior Lender, Subordinate Lender will furnish Senior Lender with a statement, duly acknowledged and certified setting forth the then-current amount and terms of the Subordinate Loan, confirming that there exists no default under the Subordinate Loan Documents (or describing any default that does exist), and certifying to such other information with respect to the Subordinate Loan as Senior Lender may request.

j. Senior Lender may amend, waive, postpone, extend, renew, replace, reduce or otherwise modify any provisions of the Senior Loan Documents without the necessity of obtaining the consent of or providing Notice to Subordinate Lender, and without affecting any of the provisions of this Agreement. Notwithstanding the foregoing, Senior Lender may not modify any provision of the Senior Loan Documents that increases the amount of the Senior Loan, except for increases in the Senior Loan that result from advances made by Senior Lender to protect the security or lien priority of Senior Lender under the Senior Loan Documents or to cure defaults under the Subordinate Loan Documents.

5. Default under Loan Documents.

a. For a period of ninety (90) days following delivery to Senior Lender of an Enforcement Action Notice, Senior Lender will have the right, but not the obligation, to cure any Subordinate Loan Default, provided that if such Subordinate Loan Default is a non-monetary default and is not capable of being cured within such 90-day period and Senior Lender has commenced and is diligently pursuing such cure to completion, Senior Lender will have such additional period of time as may be required to cure such Subordinate Loan Default or until such time, if ever, as Senior Lender (i) discontinues its pursuit of any cure and/or (ii) delivers to

Subordinate Lender Senior Lender's written consent to the Enforcement Action described in the Enforcement Action Notice. Senior Lender will not be subrogated to the rights of Subordinate Lender under the Subordinate Loan Documents by reason of Senior Lender having cured any Subordinate Loan Default. However, Subordinate Lender acknowledges that all amounts advanced or expended by Senior Lender in accordance with the Senior Loan Documents or to cure a Subordinate Loan Default will be added to and become a part of the Senior Loan and will be secured by the lien of the Senior Deed of Trust. Notwithstanding anything to the contrary herein, at all times following the delivery to Senior Lender of an Enforcement Action Notice, Subordinate Lender will be entitled to seek specific performance to enforce covenants and agreements of Borrower relating to income, rent, or affordability restrictions contained in the Subordinate Lender Regulatory Agreement.

b. Senior Lender will deliver to Subordinate Lender a copy of any Notice sent by Senior Lender to Borrower of a Senior Loan Default within ten (10) business days of sending such Notice to Borrower. Failure of Senior Lender to send Notice to Subordinate Lender will not prevent the exercise of Senior Lender's rights and remedies under the Senior Loan Documents. Subordinate Lender will have the right, but not the obligation, to cure any monetary Senior Loan Default within thirty (30) days following the date of such Notice; provided, however, that Senior Lender will be entitled during such 30-day period to continue to pursue its remedies under the Senior Loan Documents. Subordinate Lender may, within ninety (90) days after the date of the Notice, cure a non-monetary Senior Loan Default if during such 90-day period, Subordinate Lender keeps current all payments required by the Senior Loan Documents. If such a non-monetary Senior Loan 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 during such 90-day period Senior Lender may exercise all available rights and remedies to protect and preserve the Mortgaged Property and the Rents, revenues and other proceeds from the Mortgaged Property. Subordinate Lender will not be subrogated to the rights of Senior Lender under the Senior Loan Documents by reason of Subordinate Lender having cured any Senior Loan Default. However, Senior Lender acknowledges that all amounts paid by Subordinate Lender to Senior Lender to cure a Senior Loan Default will be deemed to have been advanced by such Subordinate Lender pursuant to, and will be secured by the lien of, the Subordinate Loan Documents. Notwithstanding anything in this Section 5.b. to the contrary, Subordinate Lender's right to cure any Senior Loan Default will terminate immediately upon the occurrence of any Bankruptcy Proceeding.

c. In the event of a Subordinate Loan Default, Subordinate Lender will not commence any Enforcement Action until ninety (90) days after Subordinate Lender has delivered to Senior Lender an Enforcement Action Notice with respect to such Enforcement Action, provided that Subordinate Lender will be entitled to seek specific performance to enforce covenants and agreements of Borrower relating to income, rent, or affordability restrictions contained in the Regulatory Agreement, subject to Senior Lender's right to cure a Subordinate Loan Default. Subordinate Lender may not commence any other Enforcement Action, including any foreclosure action under the Subordinate Loan Documents, until the earlier of (i) the expiration of such 90-day period or such longer period as provided in Section 5.a., or (ii) the delivery by Senior Lender to Subordinate Lender of Senior Lender's written consent to such Enforcement Action by such Subordinate Lender. Subordinate Lender acknowledges that Senior Lender may grant or refuse consent to Subordinate Lender's Enforcement Action in Senior Lender's sole and absolute

discretion. At the expiration of such 90-day period or such longer period as provided in Section 5.a. and, subject to Senior Lender's right to cure set forth in Section 5.a., Subordinate Lender may commence any Enforcement Action. Any Enforcement Action on the part of Subordinate Lender will be subject to the provisions of this Agreement. Subordinate Lender acknowledges that the provisions of this Section 5.c. are fair and reasonable under the circumstances, that Subordinate Lender has received a substantial benefit from Senior Lender having granted its consent to the Subordinate Loan, and that Senior Lender would not have granted such consent without the inclusion of these provisions in this Agreement.

d. Senior Lender may pursue all rights and remedies available to it under the Senior Loan Documents, at law, or in equity, regardless of any Enforcement Action Notice or Enforcement Action by Subordinate Lender. No action or failure to act on the part of Senior Lender in the event of a Subordinate Loan Default or commencement of an Enforcement Action will constitute a waiver on the part of Senior Lender of any provision of the Senior Loan Documents or this Agreement.

e. If the Enforcement Action taken by Subordinate Lender is the appointment of a receiver for any of the Property, all of the Rents, issues, profits and proceeds collected by the receiver will be paid and applied by the receiver solely to and for the benefit of Senior Lender until the Senior Loan will have been paid in full.

f. Subordinate Lender consents to and authorizes the release by Senior Lender of all or any portion of the Property from the lien, operation, and effect of the Senior Loan Documents. Subordinate Lender waives to the fullest extent permitted by law, all equitable or other rights it may have (i) in connection with the release of all or any portion of the Property, (ii) to require the separate sale of any portion of the Property, (iii) to require Senior Lender to exhaust its remedies against all or any portion of the Property or any combination of portions of the Property or any other collateral for the Senior Loan, or (iv) to require Senior Lender to proceed against Borrower, any other party that may be liable for any of the Senior Loan (including any general partner of Borrower if Borrower is a partnership), all or any portion of the Property or combination of portions of the Property or any other collateral, before proceeding against all or such portions or combination of portions of the Property as Senior Lender determines. Subordinate Lender waives to the fullest extent permitted by law any and all benefits under California Civil Code Sections 2845, 2849 and 2850. Subordinate Lender consents to and authorizes, at the option of Senior Lender, the sale, either separately or together, of all or any portion of the Property. Subordinate Lender acknowledges that, upon Notice to Subordinate Lender and without affecting any of the provisions of this Agreement, Senior Lender may (i) extend the time for or waive any payment or performance under the Senior Loan Documents; (ii) modify or amend in any respect any provision of the Senior Loan Documents subject to the limitations on such rights as set forth in Section 4.j.; and (iii) modify, exchange, surrender, release, and otherwise deal with any additional collateral for the Senior Loan.

g. If any party other than Borrower (including Senior Lender) acquires title to any of the Property pursuant to a foreclosure of, or trustee's sale or other exercise of any power of sale under, the Senior Loan Documents conducted in accordance with applicable law, the lien, operation, and effect of the Subordinate Loan Documents automatically will terminate with respect to such Property.

6. Miscellaneous.

a. If there is any conflict or inconsistency between the terms of the Subordinate Loan Documents or the Senior Loan Documents and the terms of this Agreement, then the terms of this Agreement will control.

b. This Agreement will be binding upon and will inure to the benefit of the respective legal successors and permitted assigns of the parties to this Agreement. No other party will be entitled to any benefits under this Agreement, whether as a third-party beneficiary or otherwise.

c. This Agreement does not constitute an approval by Senior Lender of the terms of the Subordinate Loan Documents.

d. All notices or other written communications hereunder (each, a "Notice" and collectively, "Notices") shall be deemed to have been properly given (i) upon delivery, if delivered in person with receipt acknowledged by the recipient thereof, (ii) one (1) Business Day after having been deposited for overnight delivery with any reputable overnight courier service, or (iii) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed to the respective parties as follows:

Senior Lender: Banc of California
9701 Wilshire Blvd., Suite 700
Beverly Hills, CA 90212
Phone: (310) 887-8550
Email: steven.golove@bancofcal.com

With a copy to: Banc of California
Office of the General Counsel
Email: legal@bancofcal.com

Subordinate Lender: Community Development and Housing Department
San Bernardino County
560 East Hospitality Lane, Suite 200
San Bernardino, CA 92415-0043
Attn: Director

With a copy to: Goldfarb & Lipman, LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attn: Rafael Yaquian

e. Nothing in this Agreement or in any of the Senior Loan Documents or Subordinate Loan Documents will be deemed to constitute Senior Lender as a joint venturer or partner of Subordinate Lender.

f. Upon Notice from Senior Lender, Subordinate Lender will execute and deliver such additional instruments and documents, and will take such actions, as are required by Senior Lender in order to further evidence or implement without substantive modification of the provisions of this Agreement.

g. If any one or more of the provisions contained in this Agreement, or any application of any such provisions, is invalid, illegal, or unenforceable in any respect, the validity, legality, enforceability, and application of the remaining provisions contained in this Agreement will not in any way be affected.

h. The term of this Agreement will commence on the date of this Agreement and will continue until the earliest to occur of the following events: (i) the payment of all of the Senior Loan; provided that this Agreement will be reinstated in the event any payment on account of the Senior Loan is avoided, set aside, rescinded or repaid by Senior Lender as described in Section 2.e. of this Agreement, (ii) the payment of all of the Subordinate Loan other than by reason of payments which Subordinate Lender is obligated to remit to Senior Lender pursuant to this Agreement, (iii) the acquisition by Senior Lender or by a third party purchaser of title to the Property pursuant to a foreclosure of, deed in lieu of foreclosure, or trustee's sale or other exercise of a power of sale or similar disposition under the Senior Deed of Trust; or (iv) with the prior written consent of Senior Lender, without limiting the provisions of Section 5.c., the acquisition by Subordinate Lender of title to the Property subject to the Senior Deed of Trust, pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale under) the Subordinate Loan Documents.

i. No failure or delay on the part of any party to this Agreement in exercising any right, power, or remedy under this Agreement will operate as a waiver of such right, power, or remedy, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power or remedy under this Agreement.

j. Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other party will have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief.

k. Nothing in this Agreement is intended, nor will it be construed, to in any way limit the exercise by Subordinate Lender of its governmental powers (including police, regulatory and taxing powers) with respect to Borrower or the Property to the same extent as if it were not a party to this Agreement or the transactions contemplated by this Agreement.

l. This Agreement may be assigned at any time by Senior Lender to any subsequent holder of the Senior Loan Documents.

m. This Agreement may be amended, changed, modified, altered or terminated only by a written instrument or written instruments signed by the parties to this Agreement.

n. This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.

o. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND TOGETHER WITH ANY DISPUTES OR CONTROVERSIES ARISING OUT OF OR RELATING TO THIS AGREEMENT, SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA AND APPLICABLE FEDERAL LAW, WITHOUT REGARD TO CHOICE OF LAW RULES.

p. EACH PARTY HERETO CONSENTS TO AND SUBMITS TO IN PERSONAM JURISDICTION AND VENUE IN THE STATE AND IN THE FEDERAL DISTRICT COURTS WHICH ARE LOCATED IN THE STATE. EACH PARTY ASSERTS THAT IT HAS PURPOSEFULLY AVAILED ITSELF OF THE BENEFITS OF THE LAWS OF THE STATE AND WAIVES ANY OBJECTION TO IN PERSONAM JURISDICTION ON THE GROUNDS OF MINIMUM CONTACTS, WAIVES ANY OBJECTION TO VENUE, AND WAIVES ANY PLEA OF FORUM NON CONVENIENS. THIS CONSENT TO AND SUBMISSION TO JURISDICTION IS WITH REGARD TO ANY ACTION RELATED TO THIS AGREEMENT, REGARDLESS OF WHETHER THE PARTY'S ACTIONS TOOK PLACE IN THE STATE OR ELSEWHERE IN THE UNITED STATES OF AMERICA, THIS SUBMISSION TO JURISDICTION IS NONEXCLUSIVE, AND DOES NOT PRECLUDE EITHER PARTY FROM OBTAINING JURISDICTION OVER THE OTHER IN ANY COURT OTHERWISE HAVING JURISDICTION.

q. EACH PARTY HERETO WAIVES ITS RIGHT TO A JURY TRIAL OF ANY AND ALL CLAIMS OR CAUSES OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT. IT IS HEREBY ACKNOWLEDGED THAT THE WAIVER OF A JURY TRIAL IS A MATERIAL INDUCEMENT FOR THE SENIOR LENDER TO MAKE THE BANK LOAN AND THAT THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY THE IS MADE IN RELIANCE UPON SUCH WAIVER. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE FOLLOWING CONSULTATION WITH ITS RESPECTIVE LEGAL COUNSEL.

r. Each party hereby covenants the following:

The parties prefer that any dispute between them be resolved in litigation subject to a jury trial waiver as set forth in this Agreement, but the California Supreme Court has held that such pre-dispute jury trial waivers are unenforceable. If any lawsuit is commenced to enforce any of the terms of this Agreement, each party shall bear their own fees, regardless of which party is the prevailing party.

[NO FURTHER TEXT ON THIS PAGE]

Nothing in this Section shall affect the rights of the parties to serve legal process in any other manner permitted by law or affect the right of the parties to bring any suit, action or proceeding in the courts of any other jurisdiction.

*Consent of Borrower attached

[NO FURTHER TEXT ON THIS PAGE]

[SIGNATURE PAGE TO SUBORDINATION AGREEMENT]

IN WITNESS WHEREOF, this Agreement has been executed effective as of the date first above written:

SENIOR LENDER:

BANC OF CALIFORNIA

By: Steve Golove
Name: Steve Golove aka Steven Golove
Title: FVP

NOTARY ACKNOWLEDGMENT STATEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Ventura

On 11-26-25, before me, Wanda Maggiora, a Notary Public, personally appeared Steven Golove, who proved to me on the basis of satisfactory evidence to be the person(s) 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~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Wanda Maggiora [SEAL]



DocuSign Envelope ID: FE3FEA41-18AC-4E49-BC8F-FE80478D4FFB

[SIGNATURE PAGE TO SUBORDINATION AGREEMENT]

IN WITNESS WHEREOF, this Agreement has been executed effective as of the date first above written:

SUBORDINATE LENDER:

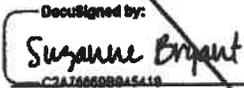
SAN BERNARDINO COUNTY, a political subdivision of the State of California

By:


Luther Snoke, Chief Executive Officer

APPROVED AS TO LEGAL FORM:

LAURA FEINGOLD
County Counsel

By: 
Suzanne Bryant, Deputy County Counsel

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of San Bernardino

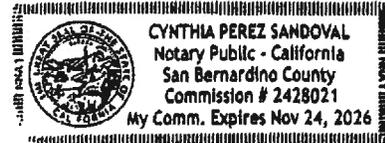
On December 9, 2025 before me, Cynthia Perez Sandoval- Notary Public
(insert name and title of the officer)

personally appeared Luther Snoke
who proved to me on the basis of satisfactory evidence to be the person(s) 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 authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Cynthia Perez S. (Seal)



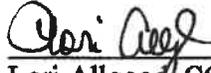
CONSENT OF BORROWER

Borrower acknowledges receipt of a copy of this Subordination Agreement, dated Nov 18, 2025 and consents to the agreement of the parties set forth in this Agreement.

E STREET VETERANS APARTMENTS, LP,
a California limited partnership

By: U.S. VETS – E Street LLC,
a California limited liability company,
its managing general partner

By: U.S. VETS Housing Corporation,
a California nonprofit public benefit
corporation,
its managing member

By: 
Lori Allgood, COO

By: Kingdom Development, Inc.,
a California nonprofit public benefit
corporation,
its member

By: Signed in Counterpart
William Leach, President

CONSENT OF BORROWER

Borrower acknowledges receipt of a copy of this Subordination Agreement, dated Nov 18, 2025 and consents to the agreement of the parties set forth in this Agreement.

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a California limited liability company,
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By: **U.S. VETS Housing Corporation,**
a California nonprofit public benefit
corporation,
its managing member

By: Signed in Counterpart
Lori Allgood, COO

By: **Kingdom Development, Inc.,**
a California nonprofit public benefit
corporation,
its member

By: 
William Leach, President

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of the document.

STATE OF GA)
COUNTY OF COBB)

On 11/25, 2025, before me, Rao Mumin Umar, notary public, personally appeared LOBI ALIGCOB who proved to me on the basis of satisfactory evidence to be the person(s) 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 authorized capacity(ies), and that by his/her/their signatures on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

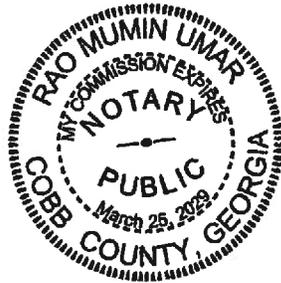
I certify under PENALTY OF PERJURY under the laws of the State of GA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature

(SEAL)



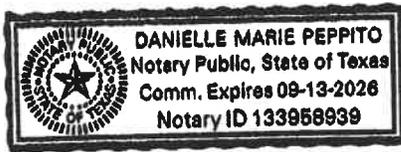
A notary public or other officer completing this certificate only verifies the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

The State of Texas

County of Denton

Before me, Danielle Marie Peppito, Notary Public, on this day personally appeared William Leach, known to me or through TX Driver's License to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or entity upon behalf of which the person acted, executed the instrument.

Given under my hand and seal of office this 25 day of November, 2025.



Danielle Marie Peppito
Notary Public, State of Texas

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION OF LOT 11, IN BLOCK 34, 5 ACRE SURVEY OF RANCHO SAN BERNARDINO, CITY OF SAN BERNARDINO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, FILED IN BOOK 7, PAGE 2 OF MAPS, RECORDS OF SAID COUNTY, AS SHOWN AS LOT MERGER NO. LM 2023-004, IN THE CERTIFICATE OF COMPLIANCE RECORDED AUGUST 24, 2023, AS INSTRUMENT NO. 2023-0208288 OF OFFICIAL RECORDS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST BOUNDARY LINE OF "E" STREET OF SAID CITY, 238.18 FEET SOUTH OF THE NORTHWEST CORNER OF SAID LOT 11, SAID POINT BEING ON THE SOUTH LINE OF DOCUMENT RECORDED DECEMBER 15, 2022, AS INSTRUMENT NO. 2022-0400312 OF OFFICIAL RECORDS OF SAID COUNTY;

THENCE ALONG SAID LINE, NORTH 89° 17' 52" EAST, A DISTANCE OF 299.01 FEET, MORE OR LESS, TO A POINT MIDWAY BETWEEN THE SAID EAST BOUNDARY LINE OF SAID "E" STREET AND THE WEST BOUNDARY LINE OF "D" STREET OF SAID CITY;

THENCE SOUTH 00° 20' 18" EAST, A DISTANCE OF 116.98 FEET TO THE SOUTH LINE OF SAID LOT 11;

THENCE ALONG SAID LINE, SOUTH 89° 36' 20" WEST, A DISTANCE OF 299.02 FEET, MORE OR LESS, TO THE WEST BOUNDARY LINE OF SAID "E" STREET;

THENCE ALONG SAID LINE, NORTH 00° 19' 53" WEST, A DISTANCE OF 115.38 FEET TO THE POINT OF BEGINNING.

THE PRECEDING FOUR COURSES PER RECORD OF SURVEY 22-01062, RECORDED IN BOOK 176, PAGE 60 OF RECORDS OF SURVEY, RECORDS OF SAID COUNTY.

APN: 0145-211-55-0-000



San Bernardino County

DELEGATED AUTHORITY – DOCUMENT REVIEW FORM
Executive Signature

This form is for use by any department or other entity that has been authorized by Board of Supervisors/Directors' action to execute grant applications, awards, amendments or other agreements on their behalf. All documents to be executed under such delegated authority must be routed for County Counsel and County Administrative Office review prior to signature by designee. For detailed instructions on delegated authority, reference Section 7.2 of the Board Agenda Item Guidelines.

Department/Agency/Entity: Community Development and Housing Due Back to Department By (Date):

Contact Name: Amanda Tower Telephone: 909-501-0611

Who Needs to Sign the Documents (CEO or Chair)? CEO Signature Needed: [X] Wet [] Digital [X] Notarized

Return Hardcopies to Department Via: [X] Pick up at 385 N. Arrowhead Ave., 5th Floor [] IOM Mail Code:

Agreement No.: Amendment No.: Date of Board Item: 11/18/25 Board Item No.: 25

Name of Contract Entity/Project Name: E Street Veterans Apartments Project

Include information from the Board Agenda Item that delegates authority, a justification for approval by the specified authority and how it connects to the original recommendation. Also include a brief background on the request, including details as to what program is being served, documents that require signature, and any other pertinent information, such as dollar amounts, date changes and details that summarize the action requested. If additional space is needed, please attach a separate page.

The Community Development and Housing Department (CDH) requests the CEO's notarized signature on the Regulatory Agreement and Declaration of Restrictive Covenants and Subordination Agreements related to the E Street Veterans Apartments. Specifically, this includes the Regulatory Agreement and Subordination Agreement No. 25-891 between E Street Veterans Apartments, LP, the City of San Bernardino, and the County, concerning the City's \$1,985,401 in Permanent Local Housing Allocation (PLHA) funds and Subordination Agreement No. 25-890 between the County and Banc of California. The Subordination Agreements secure the County's lien rights on the development, while the Regulatory Agreement ensures the project operates according to program requirements and protects the County's investment over time.

On November 18, 2025 (Item No. 25), the Board of Supervisors delegated signature authority to the Chief Executive Officer to execute Subordination Agreements No. 25-891 and No. 25-890 and the Regulatory Agreement related to the closing of the E Street Veterans Apartments.

The following documents are required for this request; check that they are included:

- [X] Documents proposed for signature (for contracts, include a signed non-standard contract coversheet for contracts not submitted on a standard contract form).
[X] Board Agenda item that delegated the authority.

Table with 3 columns: Department Routed to County Counsel, County Counsel Name, Date Sent, Reviewing County Counsel Use Only, Review Date, Signature, Determination, CAO-Special Projects Use Only, Review Date, Signature, Disposition.

Note: This process should NOT be used to execute documents under a master agreement or template, or for construction contract change orders. Contact your County Counsel for instructions related to review of these documents.