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Rialto Housing Authority
150 S. Palm Avenue
Rialto, CA 92376

SPACE ABOVE LINE
FOR RECORDER'S USE

SUBORDINATION AGREEMENT
(San Bernardino County to Rialto Housing Authority)

This SUBORDINATION AGREEMENT (this "**Agreement**") dated as of March 1, 2025, is executed by and among (i) RIALTO HOUSING AUTHORITY, a public body, corporate and politic ("Subordinate Lender"), (ii) SAN BERNARDINO COUNTY, a political subdivision of the State of California ("**Junior Subordinate Lender**"), and (iii) IVHP2 APARTMENTS, LP, a California limited partnership ("**Borrower**").

RECITALS:

A. Pursuant to that certain Master Pledge and Assignment (the "**Master Pledge**") dated as of the date hereof, executed by and between California Statewide Communities Development Authority, a joint exercise of powers agency duly organized and validly existing under the laws of the State of California ("**Issuer**") and JPMORGAN CHASE BANK, N.A., a national banking association ("Senior Lender"), in its capacities as Holder of the Bonds (defined below) and as Agent for the Issuer and Senior Lender, Issuer is issuing its California Statewide Communities Development Authority Multifamily Housing Revenue Bonds (Citrus Grove) 2025 Series B, in the maximum principal amount of \$32,895,715 (the "**Bonds**"). On the terms and subject to the conditions set forth in that certain Construction and Permanent Loan Agreement (as modified from time to time, the "**Loan Agreement**") dated on or about the date hereof, by and between Senior Lender and Borrower, Senior Lender, in its capacity as Agent under the Master Pledge, has agreed to make a loan in the aggregate principal amount of \$32,895,715 (the "**Bond Loan**") to Borrower from the proceeds of the sale of the Bonds and Senior Lender has agreed to purchase the Bonds in order to fund the Bond Loan. The Bond Loan is evidenced by, among other things, a promissory note made by Borrower to the order of Senior Lender in the principal amount of the Bond Loan (the "**Note**"). The Bond Loan is secured by, among other things, a Construction and Permanent Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (as modified from time to time, including any riders, the "**Bond Deed of Trust**") dated on or about the date hereof, made by Borrower, as trustor, for the benefit of Issuer, as beneficiary, encumbering the Property, and a UCC-1 Financing Statement in favor of Senior Lender ("**Bond Loan UCC**") to be recorded concurrently herewith in connection with the Bond Deed of Trust. The Bond Deed of Trust encumbers, among other things, the real property more particularly described in Exhibit A attached to this Agreement (the "**Land**") and is to be recorded concurrently herewith in the Official Records of San Bernardino County, California ("**Official Records**"). The Land, together with all improvements now or hereafter located on the Land and all fixtures and personal property located on the Land and encumbered by any of the Recorded Items (as defined below) are referred to, collectively, as the "**Property**."

B. In connection with the Bond Loan, Borrower has executed or is about to execute that certain Regulatory Agreement and Declaration of Restrictive Covenants encumbering the Property (the "**Bond Regulatory Agreement**"), in favor of the Issuer and to be recorded concurrently herewith in the Official Records.

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C. Subordinate Lender previously made the following loan to Southern California Housing Development Corporation of the Inland Empire (the "**SCHDCIE**") and Inland Valley Housing Partners, L.P., a California limited partnership ("**IVHP**"), as Borrower's predecessor in interest (collectively, "**Original Borrower**"):

a. A loan in the original principal amount of \$14,754,722 (the "**Original Subordinate Loan**") to SCHDCIE pursuant to that certain Affordable Housing Agreement dated as of February 1, 2005 (the "**Original Subordinate Loan Agreement**") by and between SCHDCIE, which Original Subordinate Loan Agreement was assigned to IVHP pursuant to that certain Assignment and Assumption Agreement dated as of August 1, 2006. The Original Subordinate Loan Agreement was amended by that certain First Supplement to Affordable Housing Agreement, dated as of August 1, 2006 by and between the Subordinate Lender and IVHP.

b. The Original Subordinate Loan is evidenced by that certain promissory note dated August 2, 2006 by IVHP in favor of Subordinate Lender (the "**Original Subordinate Note**"), made by Original Borrower to the order of Subordinate Lender, and secured by that certain Option Agreement dated as of August 1, 2006 by and between IVHP and the Subordinate Lender, recorded against the Property on August 17, 2006, as Instrument No. 2006-0563305 (the "**Subordinate Option**") and that certain Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing dated August 1, 2006, and recorded against the Property on August 17, 2006, as Instrument No. 2006-0563301 in the Official Records (the "**Original Subordinate Mortgage**"). In connection with the Original Subordinate Loan, IVHP and Subordinate Lender also executed that Regulatory Agreement dated as of August 1, 2006 and recorded against the Property on August 17, 2006, as Instrument No. 2006-0563300 in the Official Records, as amended by that certain First Amendment to Regulatory Agreement dated as of May 1, 2008 by and between the Housing Authority and Borrower and recorded against the Property on June 4, 2008, as Instrument No. 2008-0253726 in the Official Records (collectively, and as the same may be further amended, the "**Original Subordinate Regulatory Agreement**").

D. Pursuant to that certain Modification to Loan Documents and Release of Option Agreement by and between IVHP and Subordinate Lender dated on or around the Closing Date (the "**Subordinate Loan Amendment**"), Borrower and Subordinate Lender have amended certain terms, conditions provisions of the Original Subordinate Loan.

E. Pursuant to that certain Assignment and Assumption Agreement dated on or around the Closing Date, IVHP has assigned, and Borrower has assumed, all of Original Borrower's right, title, interest and obligations under the Original Subordinate Loan Documents ("**Assignment and Assumption**")

F. On or around the Conversion Date, Subordinate Lender shall make a loan in the amount of \$8,064,951 (the "**Subordinate Permanent Loan**"). The Subordinate Permanent Loan is evidenced by that certain Affordable Housing Loan Agreement of even date herewith by and between Borrower and Subordinate Lender (the "**Subordinate Permanent Loan Agreement**") and a note by Borrower payable to Subordinate Lender (the "**Subordinate Permanent Note**") and secured that certain Deed of Trust With Assignment of Rents and Security Agreement, to be recorded substantially concurrently herewith (the "**Subordinate Permanent Mortgage**"). In connection with the Subordinate Permanent Loan, Borrower has executed that certain Second Amendment to Regulatory Agreement (the "**Second Amendment to Regulatory Agreement**," and together with the Original Subordinate Regulatory Agreement, collectively the "**Subordinate Regulatory Agreement**").

G. The Subordinate Loan Agreement, the Subordinate Note, Subordinate Mortgage, Subordinate Regulatory Agreement, Subordinate Option, Subordinate Loan Amendment, Assignment and

Assumption are collectively referred to herein as the “**Original Subordinate Loan Documents**”. The Subordinate Permanent Loan Agreement, the Subordinate Permanent Note, Subordinate Permanent Mortgage, Second Amendment to Regulatory Agreement are collectively referred to herein as the “**Subordinate Permanent Loan Documents**.” The Original Subordinate Loan Documents, the Subordinate Permanent Loan Documents, and all other documents executed in connection with the Original Subordinate Loan or the Subordinate Permanent Loan shall be referred to herein collectively as the “**Subordinate Loan Documents**.”

H. Junior Subordinate Lender previously made the following loan to Southern California Housing Development Corporation of the Inland Empire (the “**SCHDCIE**”) and Inland Valley Housing Partners, L.P., a California limited partnership, as Borrower’s predecessor in interest (collectively, “**Original Borrower**”):

a. A loan in the original principal amount of \$3,000,000 (the “**Junior Subordinate Loan**”) pursuant to that certain HOME Investment Partnership Act Agreement dated as of June 14, 2005 (the “**Junior Subordinate Loan Agreement**”) by and between Subordinate Lender and Original Borrower. The Subordinate Loan is evidenced by that certain Residual Receipts Promissory Note, dated as of June 14, 2005 (the “**Junior Subordinate Note**”), made by Original Borrower to the order of Subordinate Lender, and secured by that certain Deed of Trust With Assignment of Rents and Security Agreement dated as of June 14, 2005 (the “**Junior Subordinate Mortgage**”), executed by Original Borrower for the benefit of Subordinate Lender as Beneficiary and recorded as document 2006-0563298 in the Official Records.

I. Pursuant to that certain Modification to Loan Documents by and between Original Borrower and Junior Subordinate Lender dated on or around the Closing Date (the “**Junior Subordinate Loan Amendment**”), Borrower and Junior Subordinate Lender have amended certain terms, conditions provisions of the Junior Subordinate Loan.

J. Pursuant to that certain Assignment and Assumption Agreement dated on or around the Closing Date, Original Borrower has assigned, and Borrower has assumed, all of Original Borrower’s right, title, interest and obligations under the Junior Subordinate Loan Documents (“**Junior Subordinate Assignment and Assumption**”)

K. The Junior Subordinate Loan Agreement, the Junior Subordinate Note, Junior Subordinate Mortgage, Junior Subordinate Loan Amendment, Junior Subordinate Assignment and Assumption and all other documents executed in connection with the Junior Subordinate Loan shall be referred to herein collectively as the “**Junior Subordinate Loan Documents**.”

L. As a condition to Subordinate Lender making the Subordinate Permanent Loan, Subordinate Lender requires that the Subordinate Loan Documents have priority over the Junior Subordinate Loan Documents.

M. Junior Subordinate Lender and Borrower agree to the subordination in favor of Subordinate Lender.

AGREEMENTS:

NOW, THEREFORE, in order to induce Subordinate Lender to make the Subordinate Permanent Loan, and to permit the Subordinate Permanent Loan to Borrower and to allow a subordinate mortgage lien against the Mortgaged Property, and in consideration thereof, Subordinate Lender, Junior Subordinate Lender and Borrower agree as follows:

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1. Recitals.

The recitals set forth above are incorporated herein by reference.

2. Definitions.

In addition to the terms defined in the Recitals to this Agreement, for purposes of this Agreement the following terms have the respective meanings set forth below:

"Affiliate" means, when used with respect to a Person, any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or individual controlled by, under common control with, or which controls such Person (the term "control" for these purposes shall mean the ability, whether by the ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to make management decisions on behalf of, or independently to select the managing partner of, a partnership, or otherwise to have the power independently to remove and then select a majority of those individuals exercising managerial authority over an entity, and control shall be conclusively presumed in the case of the ownership of fifty percent (50%) or more of the equity interests).

"Borrower" means the Person named as such in the first paragraph of this Agreement, any successor or assign of Borrower, including without limitation, a receiver, trustee or debtor-in-possession and any other Person (other than Senior Lender) who acquires title to the Mortgaged Property after the date of this Agreement.

"Business Day" means any day other than Saturday, Sunday or a day on which Senior Lender is not open for business.

"Default Notice" means: (a) a copy of any written notice from Subordinate Lender to Borrower and Junior Subordinate Lender stating that a Subordinate Permanent Loan Default has occurred under the Subordinate Loan Documents; or (b) a copy of the written notice from Junior Subordinate Lender to Borrower and Subordinate Lender stating that a Junior Subordinate Loan Default has occurred under the Junior Subordinate Loan Documents. Each Default Notice shall specify the default upon which such Default Notice is based.

"Junior Subordinate Lender" means the Person named as such in the first paragraph of this Agreement, any successor or assign of Junior Subordinate Lender, including without limitation, a receiver, trustee or debtor-in-possession and any other Person who becomes the legal holder of the Junior Subordinate Note after the date of this Agreement.

"Junior Subordinate Loan Default" means a default by Borrower in performing or observing any of the terms, covenants or conditions in the Junior Subordinate Loan Documents to be performed or observed by it, which continues beyond any applicable period provided in the Junior Subordinate Loan Documents for curing the default.

"Junior Subordinate Loan Documents" means the Junior Subordinate Note, the Junior Subordinate Mortgage, the Junior Subordinate Loan Agreement and all other documents evidencing, securing or otherwise executed and delivered in connection with the Junior Subordinate Loan.

"Person" means an individual, an estate, a trust, a corporation, a partnership, a limited liability company or any other organization or entity (whether governmental or private).

"Senior Lender" means the Person named as such in the first paragraph of this Agreement, its successors and assigns and any other Person who becomes the legal holder of the Senior Loan after the date of this Agreement.

“Senior Loan Default” means the occurrence of an “Event of Default” as that term is defined in the Senior Loan Documents.

“Senior Loan Documents” means the Senior Security Instrument, the Senior Note, the Senior Loan Agreement, and all other “Loan Documents” as that term is defined in the Senior Loan Agreement.

“Subordinate Lender” means the Person named as such in the first paragraph of this Agreement, any successor or assign of Subordinate Lender, including without limitation, a receiver, trustee or debtor-in-possession and any other Person who becomes the legal holder of the Subordinate Note after the date of this Agreement.

“Subordinate Loan Default” means a default by Borrower in performing or observing any of the terms, covenants or conditions in the Subordinate Loan Documents to be performed or observed by it, which continues beyond any applicable period provided in the Subordinate Loan Documents for curing the default.

“Subordinate Loan Documents” means the Original Subordinate Loan Documents and the Subordinate Permanent Loan Documents.

3. Reserved.

4. Borrower’s and Subordinate Lender’s Representations and Warranties.

Borrower and Junior Subordinate Lender each makes the following representations and warranties to Subordinate Lender:

(a) Junior Subordinate Loan.

The Junior Subordinate Loan is evidenced by the Junior Subordinate Note and is secured by the Junior Subordinate Mortgage, and the Junior Subordinate Loan Documents.

(b) Junior Subordinate Note.

The indebtedness evidenced by the Junior Subordinate Note is and shall be subordinate to the indebtedness evidenced by the Subordinate Permanent Note in right of payment from Residual Receipts in the agreed upon percentage relating to the Original Subordinate Loan and the Junior Subordinate Loan as referenced in the Subordinate Loan Amendment and the Junior Subordinate Loan Amendment. The rights and remedies of the payee and each subsequent holder of the Junior Subordinate Note are subject to the restrictions and limitations set forth in this Agreement. Each subsequent holder of the Junior Subordinate Note shall be deemed, by virtue of such holder’s acquisition of the Junior Subordinate Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by Junior Subordinate Lender under this Agreement.

(c) Junior Subordinate Mortgage and Junior Subordinate Loan Documents.

The Junior Subordinate Mortgage, Junior Subordinate Regulatory Agreement and other Subordinate Loan Documents (and any exhibits thereto) are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Subordinate Permanent Mortgage and the Subordinate Loan Documents, as more fully set forth in this Agreement.

(d) Relationship of Borrower to Junior Subordinate Lender and Subordinate Lender.

Junior Subordinate Lender is not an Affiliate of Borrower and is not in possession of any facts which would lead it to believe that Subordinate Lender is an Affiliate of Borrower.

(e) Term.

The term of the Junior Subordinate Note does not end before the stated term of the Subordinate Permanent Note.

(f) Junior Subordinate Loan Documents.

The executed Junior Subordinate Loan Documents are substantially in the same forms as those submitted to, and approved by, Senior Lender prior to the date of this Agreement. Upon execution and delivery of the Junior Subordinate Loan Documents, Borrower shall deliver to Subordinated Lender an executed copy of each of the Junior Subordinate Loan Documents, certified to be true, correct and complete.

(g) Subordinate Loan Documents.

Upon execution and delivery of the Subordinate Loan Documents, Borrower shall deliver to Junior Subordinate Lender an executed copy of each of the Subordinate Loan Documents, certified to be true, correct and complete.

5. Terms of Subordination.

(a) Agreement to Subordinate.

Subordinate Lender and Junior Subordinate Lender agree that (1) the indebtedness evidenced by the Junior Subordinate Loan Documents is and shall be subordinated in right of payment, to the extent and in the manner provided in this Agreement, to the prior payment in full of the indebtedness evidenced by the Subordinate Loan Documents, and (2) the liens, terms, covenants and conditions of the Junior Subordinate Mortgage, and the other Junior Subordinate Loan Documents are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Subordinate Permanent Mortgage and the other Subordinate Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the Subordinate Permanent Mortgage and the other Subordinate Loan Documents (including, but not limited to, all sums advanced for the purposes of (A) protecting or further securing the lien of the Subordinate Permanent Mortgage, curing defaults by Borrower under the Subordinate Loan Documents or for any other purpose expressly permitted by the Subordinate Loan Documents, or (B) constructing, renovating, repairing, furnishing, fixturing or equipping the Mortgaged Property).

(b) Subordination of Subrogation Rights.

Junior Subordinate Lender agrees that if, by reason of its payment of real estate taxes or other monetary obligations of Borrower, or by reason of its exercise of any other right or remedy under the Junior Subordinate Loan Documents, it acquires by right of subrogation or otherwise a lien on the Mortgaged Property which (but for this subsection) would be senior to the lien of the Subordinate Permanent Mortgage, then, in that event, such lien shall be subject and subordinate to the lien of the Subordinate Permanent Mortgage.

(c) Payments Before Subordinate Loan Default.

Until Junior Subordinate Lender receives a Default Notice (or otherwise acquires actual knowledge) of a Subordinate Loan Default, Junior Subordinate Lender shall be entitled to retain for its own account all payments made under or pursuant to the Junior Subordinate Loan Documents.

(d) Payments After Subordinate Loan Default.

Borrower agrees that, after it receives a Default Notice (or otherwise acquires knowledge) of a Subordinate Loan Default, it will not make any payments under or pursuant to the Junior Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorneys' fees, or any other sums secured by the Junior Subordinate Loan Documents) without Subordinate Lender's prior written consent. Junior Subordinate Lender agrees that, after it receives a Default Notice from Subordinate Lender with written instructions directing Junior Subordinate Lender not to accept payments from Borrower on account of the Junior Subordinate Loan, it will not accept any payments under or pursuant to the Junior Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorneys' fees, or any other sums secured by the Junior Subordinate Loan Documents) without Subordinate Lender's prior written consent. If Junior Subordinate Lender receives written notice from Subordinate Lender that the Subordinate Loan Default which gave rise to Junior Subordinate Lender's obligation not to accept payments has been cured, waived, or otherwise suspended by Subordinate Lender, the restrictions on payment to Junior Subordinate Lender in this Section 5 shall terminate, and Subordinate Lender shall have no right to any subsequent payments made to Junior Subordinate Lender by Borrower prior to Junior Subordinate Lender's receipt of a new Default Notice from Subordinate Lender in accordance with the provisions of this Section 5(d).

(e) Remitting Junior Subordinate Loan Payments to Subordinate Lender.

If, after Junior Subordinate Lender receives a Default Notice from Subordinate Lender in accordance with Section 5(d), Junior Subordinate Lender receives any payments under the Junior Subordinate Loan Documents, Junior Subordinate Lender agrees that such payment or other distribution will be received and held in trust for Subordinate Lender, and unless Subordinate Lender otherwise notifies Junior Subordinate Lender in writing, will be promptly remitted, in kind to Subordinate Lender, properly endorsed to Subordinate Lender, to be applied to the principal of, interest on and other amounts due under the Subordinate Loan Documents in accordance with the provisions of the Subordinate Loan Documents. By executing this Agreement, Borrower specifically authorizes Junior Subordinate Lender to endorse and remit any such payments to Subordinate Lender and specifically waives any and all rights to have such payments returned to Borrower or credited against the Junior Subordinate Loan. Borrower and Subordinate Lender acknowledge and agree that payments received by Junior Subordinate Lender, and remitted to Subordinate Lender, under this Section 5, shall not be applied or otherwise credited against the Junior Subordinate Loan, nor shall the tender of such payment to Subordinate Lender waive any Junior Subordinate Loan Default which may arise from the inability of Junior Subordinate Lender to retain such payment or apply such payment to the Junior Subordinate Loan.

(f) Notice of Payment from Other Persons.

Junior Subordinate Lender agrees to notify (telephonically or via email, followed by written notice) Subordinate Lender of Junior Subordinate Lender's receipt from any Person other than Borrower of a payment with respect to Borrower's obligations under the Junior Subordinate Loan Documents, promptly after Junior Subordinate Lender obtains knowledge of such payment.

(g) Agreement Not to Commence Bankruptcy Proceeding.

Junior Subordinate Lender agrees that during the term of this Agreement it will not commence, or join with any other creditor in commencing any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings against or with respect to Borrower, without prior written notice to Subordinate Lender.

6. Default Under Junior Subordinate Loan Documents.

(a) Notice of Junior Subordinate Loan Default and Cure Rights.

Junior Subordinate Lender shall deliver to Subordinate Lender a Default Notice within five (5) Business Days in each case where Junior Subordinate Lender has given a Default Notice to Borrower. Failure of Junior Subordinate Lender to send a Default Notice to Subordinate Lender shall not prevent the exercise of Junior Subordinate Lender's rights and remedies under the Junior Subordinate Loan Documents, subject to the provisions of this Agreement. Subordinate Lender shall have the right, but not the obligation, to cure any Junior Subordinate Loan Default within sixty (60) days following the date of such notice; provided, however that Junior Subordinate Lender shall be entitled, during such sixty (60) day period, to continue to pursue its rights and remedies under the Junior Subordinate Loan Documents. All amounts paid by Subordinate Lender in accordance with the Subordinate Loan Documents to cure a Junior Subordinate Loan Default shall be deemed to have been advanced by Subordinate Lender pursuant to, and shall be secured by, the Subordinate Loan Agreement and the lien of the Subordinate Permanent Mortgage.

(b) Junior Subordinate Lender's Exercise of Remedies After Notice to Subordinate Lender.

If a Junior Subordinate Loan Default occurs and is continuing, Junior Subordinate Lender agrees that, without Subordinate Lender's prior written consent, it will not commence foreclosure proceedings with respect to the Mortgaged Property under the Junior Subordinate Loan Documents or exercise any other rights or remedies it may have under the Junior Subordinate Loan Documents, including, but not limited to accelerating the Junior Subordinate Loan (and enforcing any "due on sale" provision included in the Junior Subordinate Loan Documents), collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder unless and until it has given Subordinate Lender at least sixty (60) days prior written notice; provided, however that, during such sixty (60) day period, Junior Subordinate Lender shall be entitled, following an event of default under the Junior Subordinate Loan Documents, to (a) compute interest on all amounts due and payable under the Junior Subordinate Loan at the default rate described in the Junior Subordinate Loan Documents, and (b) compute prepayment premiums and late charges. Notwithstanding anything to the contrary herein, Subordinate Lender's prior written consent shall not be required to specifically enforce any covenants and agreements of Borrower relating to income, rent, other non-monetary remedies, or affordability restrictions contained in the Junior Subordinate Loan Documents.

(c) Cross Default.

Borrower and Junior Subordinate Lender agree that a Junior Subordinate Loan Default shall constitute a Subordinate Loan Default under the Subordinate Loan Documents and Subordinate Lender shall have the right to exercise all rights or remedies under the Subordinate Loan Documents in the same manner as in the case of any other Subordinate Loan Default. If Junior Subordinate Lender notifies Subordinate Lender in writing that any Junior Subordinate Loan Default of which Subordinate Lender has received a Default Notice has been cured or waived, as determined by Junior Subordinate Lender in its sole discretion, then provided that Subordinate Lender has not conducted a sale of the Mortgaged Property pursuant to its rights under the Subordinate Loan Documents, any Subordinate Loan Default under the

Subordinate Loan Documents arising solely from such Junior Subordinate Loan Default shall be deemed cured, and the Subordinate Loan shall be reinstated, provided, however, that Subordinate Lender shall not be required to return or otherwise credit for the benefit of Borrower any default rate interest or other default related charges or payments received by Subordinate Lender during such Subordinate Loan Default.

7. Default Under Subordinate Loan Documents.

(a) Notice of Subordinate Loan Default and Cure Rights.

Subordinate Lender shall deliver to Junior Subordinate Lender a Default Notice within five (5) Business Days in each case where Subordinate Lender has given a Default Notice to Borrower. Failure of Subordinate Lender to send a Default Notice to Junior Subordinate Lender shall not prevent the exercise of Subordinate Lender's rights and remedies under the Subordinate Loan Documents, subject to the provisions of this Section 7(a), nor shall such failure constitute a default by Subordinate Lender under this Agreement. Junior Subordinate Lender shall have the right, but not the obligation, to cure any such Subordinate Loan Default within sixty (60) days following the date of such Default Notice or the date on which Junior Subordinate Lender otherwise acquires actual knowledge of Subordinate Loan Default; provided, however, that Subordinate Lender shall be entitled during such sixty (60) day period to continue to pursue their respective remedies under the Subordinate Loan Documents. All amounts paid by Junior Subordinate Lender to Subordinate Lender to cure a Subordinate Loan Default shall be deemed to have been advanced by Junior Subordinate Lender pursuant to, and shall be secured by the Junior Subordinate Note and the lien of, the Junior Subordinate Mortgage.

(b) Cross Default.

Junior Subordinate Lender agrees that, notwithstanding any contrary provision contained in the Junior Subordinate Loan Documents, a Subordinate Loan Default shall not constitute a default under the Junior Subordinate Loan Documents if no other default occurred under the Junior Subordinate Loan Documents until either (1) Subordinate Lender has accelerated the maturity of the Subordinate Loan, or (2) Subordinate Lender has taken affirmative action to exercise its rights under the Subordinate Loan Documents to collect rent, to appoint (or seek the appointment of) a receiver or to foreclose on (or to exercise a power of sale contained in) the Subordinate Loan Documents. At any time after a Subordinate Loan Default is determined to constitute a default under the Junior Subordinate Loan Documents, Junior Subordinate Lender shall be permitted to pursue its remedies for default under the Junior Subordinate Loan Documents, subject to the restrictions and limitations of this Agreement. If at any time Borrower cures any Subordinate Loan Default to the satisfaction of Subordinate Lender, as evidenced by written notice from Subordinate Lender to Junior Subordinate Lender, any default under the Junior Subordinate Loan Documents arising from such Subordinate Loan Default shall be deemed cured and the Junior Subordinate Loan shall be retroactively reinstated as if such Subordinate Loan Default had never occurred.

8. Conflict.

Borrower, Subordinate Lender and Junior Subordinate Lender each agrees that, in the event of any conflict or inconsistency between the terms of the Subordinate Loan Documents, the Junior Subordinate Loan Documents and the terms of this Agreement, the terms of this Agreement shall govern and control solely as to the following: (a) the relative priority of the security interests of Subordinate Lender and Junior Subordinate Lender in the Mortgaged Property; (b) the timing of the exercise of remedies by Subordinate Lender and Junior Subordinate Lender under the Subordinate Loan Documents and the Junior Subordinate Loan Documents, respectively; and (c) solely as among Subordinate Lender and Junior Subordinate Lender, the notice requirements, cure rights, and the other rights and obligations which Subordinate Lender and Junior Subordinate Lender have agreed to as expressly provided in this Agreement. Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend Borrower's time to cure any Subordinate Loan Default or Junior Subordinate

Loan Default, as the case may be; give Borrower the right to notice of any Subordinate Loan Default or Junior Subordinate Loan Default, as the case may be other than that, if any, provided, respectively under the Subordinate Loan Documents or the Junior Subordinate Loan Documents; or create any other right or benefit for Borrower as against Subordinate Lender or Junior Subordinate Lender.

9. Rights and Obligations of Junior Subordinate Lender Under the Junior Subordinate Loan Documents and of Subordinate Lender under the Subordinate Loan Documents.

Subject to each of the other terms of this Agreement, all of the following provisions shall supersede any provisions of the Junior Subordinate Loan Documents covering the same subject matter:

(a) Protection of Security Interest.

Junior Subordinate Lender shall not, without the prior written consent of Subordinate Lender in each instance, take any action which has the effect of increasing the indebtedness outstanding under, or secured by, the Junior Subordinate Loan Documents, except that Junior Subordinate Lender shall have the right to advance funds to cure Subordinate Loan Defaults pursuant to Section 7(a) and advance funds pursuant to the Junior Subordinate Loan Documents for the purpose of paying real estate taxes and insurance premiums, making necessary repairs to the Mortgaged Property and curing other defaults by Borrower under the Junior Subordinate Loan Documents.

(b) Condemnation or Casualty.

In the event of: a taking or threatened taking by condemnation or other exercise of eminent domain of all or a portion of the Mortgaged Property (collectively, a "**Taking**"); or the occurrence of a fire or other casualty resulting in damage to all or a portion of the Mortgaged Property (collectively, a "**Casualty**"), at any time or times when the Subordinate Permanent Mortgage remains a lien on the Mortgaged Property the following provisions shall apply:

(1) Junior Subordinate Lender hereby agrees that its rights (under the Junior Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a Taking and/or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Taking or a Casualty shall be and remain subject and subordinate in all respects to Subordinate Lender's rights under the Subordinate Loan Documents with respect thereto, and Junior Subordinate Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by Subordinate Lender; provided, however, this subsection and/or anything contained in this Agreement shall not limit the rights of Junior Subordinate Lender to file any pleadings, documents, claims or notices with the appropriate court with jurisdiction over the proposed Taking and/or Casualty; and

(2) all proceeds received or to be received on account of a Taking or a Casualty, or both, shall be applied (either to payment of the costs and expenses of repair and restoration or to payment of the Subordinate Loan) in accordance with the Subordinate Loan Documents; provided, however, that if Subordinate Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the Subordinate Permanent Loan, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Subordinate Loan shall be paid to, and may be applied by, Junior Subordinate Lender in accordance with the applicable provisions of the Junior Subordinate Loan Documents, provided however, Subordinate Lender agrees to consult with Junior Subordinate Lender in determining the application of Casualty proceeds, provided further however that in the event of any disagreement between Subordinate Lender and Junior Subordinate Lender over the application of Casualty proceeds, the decision of Subordinate Lender, in its sole discretion, shall prevail.

(c) Insurance.

Junior Subordinate Lender agrees that all original policies of insurance required pursuant to the Subordinate Permanent Mortgage shall be held by Subordinate Lender. The preceding sentence shall not preclude Junior Subordinate Lender from requiring that it be named as a loss payee, as its interest may appear, under all policies of property damage insurance maintained by Borrower with respect to the Mortgaged Property, provided such action does not affect the priority of payment of the proceeds of property damage insurance under the Subordinate Permanent Mortgage, or that it be named as an additional insured under all policies of liability insurance maintained by Borrower with respect to the Mortgaged Property.

(d) No Modification of Junior Subordinate Loan Documents.

Borrower and Junior Subordinate Lender each agree that, until the principal of, interest on and all other amounts payable under the Subordinate Loan Documents have been paid in full, it will not, without the prior written consent of Subordinate Lender in each instance, increase the amount of the Junior Subordinate Loan, increase the required payments due under the Junior Subordinate Loan, decrease the term of the Junior Subordinate Loan, increase the interest rate on the Junior Subordinate Loan, or otherwise amend the Junior Subordinate Loan terms in a manner that creates an adverse effect upon Subordinate Lender under the Subordinate Loan Documents. Any unauthorized amendment of the Junior Subordinate Loan Documents or assignment of Junior Subordinate Lender's interest in the Junior Subordinate Loan without Subordinate Lender's consent shall be void ab initio and of no effect whatsoever.

10. Modification or Refinancing of Subordinate Loan.

Junior Subordinate Lender consents to any agreement or arrangement in which Subordinate Lender waives, postpones, extends, reduces or modifies any provisions of the Subordinate Loan Documents, including any provision requiring the payment of money; provided, however, that Subordinate Lender shall not amend or modify the terms of the Subordinate Loan or any of the Subordinate Loan Documents without the prior written consent of Junior Subordinate Lender if such amendment or modification has the effect of (i) increasing the amount of the Subordinate Loan, except in the case of sums advanced by Subordinate Lender in exercising its rights and remedies with respect to the Subordinate Loan; (ii) increasing the annual interest rate(s), including the default interest rate, above the interest rate(s) described in the Subordinate Note; or (iii) decreasing the term of the Subordinate Loan, except in connection with any acceleration of the Subordinate Loan pursuant to the terms of the Subordinate Loan Documents. No decision by Junior Subordinate Lender to review or not review the Subordinate Loan Documents, including but not limited to the disbursement provisions contained therein, shall impair or otherwise limit the enforceability of this Agreement. Notwithstanding anything to the contrary contained in the Junior Subordinate Loan Documents Borrower may refinance the Subordinate Loan with a non-profit, commercial, governmental or institutional lender with the consent of the County ("Refinanced Subordinate Indebtedness"), provided that the principal balance of the Refinanced Subordinate Indebtedness does not exceed the then outstanding principal balance of the Subordinate Loan plus the costs incurred in securing the Refinanced Subordinate Indebtedness, the Refinanced Subordinate Indebtedness does not increase the interest rate of the Subordinate Loan, and the Refinanced Subordinate Indebtedness does not change the term of the Subordinate Loan.

11. Reserved.

12. Reinstatement.

To the extent that Borrower makes a payment to Subordinate Lender or Subordinate Lender receives any payment or proceeds of the collateral securing the Subordinate Loan for Borrower's benefit, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any

bankruptcy law, state or federal law, common law or equitable doctrine, then, to the extent of such payment or proceeds received and not retained by Subordinate Lender, Borrower's obligations intended to be satisfied thereby and this Agreement shall be reinstated and continue in full force and effect until full and final payment shall have been made to Subordinate Lender.

13. Notices.

Any notice which any party hereto may be required or may desire to give hereunder shall be deemed to have been given and shall be effective only if it is in writing and (i) delivered personally, (ii) mailed, postage prepaid, by United State registered or certified mail, return receipts requested, or (iii) delivered by overnight express courier, in each instance to the address set forth on the signature pages below.

14. General.

(a) Assignment/Successors.

This Agreement shall be binding upon Borrower, Subordinate Lender and Junior Subordinate Lender and shall inure to the benefit of the respective legal successors, transferees and assigns of Borrower, Subordinate Lender and Junior Subordinate Lender. Borrower shall not assign any of its rights and obligations under this Agreement without the prior written consent of Subordinate Lender.

(b) No Partnership or Joint Venture.

Subordinate Lender's permission for the placement of the Junior Subordinate Loan does not constitute Subordinate Lender as a joint venturer or partner of Junior Subordinate Lender. No party hereto shall hold itself out as a partner, agent or Affiliate of any other party hereto.

(c) Subordinate Lender's and Junior Subordinate Lender's Consent.

Wherever Subordinate Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by Subordinate Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement. Wherever Junior Subordinate Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by Junior Subordinate Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement.

(d) Further Assurances.

Junior Subordinate Lender, Subordinate Lender and Borrower each agrees, at Borrower's expense, to execute and deliver all additional instruments and/or documents reasonably required by any other party to this Agreement in order to evidence that the Junior Subordinate Mortgage, Junior Subordinate Regulatory Agreement and other Junior Subordinate Loan Documents are subordinate to the lien, covenants and conditions of the Subordinate Loan Documents, or to further evidence the intent of this Agreement.

(e) Amendment.

This Agreement shall not be amended except by written instrument signed by all parties hereto.

(f) Governing Law.

This Agreement shall be governed by the laws of the jurisdiction in which the Mortgaged Property is located without giving effect to any choice of law provisions thereof that would result in the application of the laws of another jurisdiction. Subordinate Lender, Junior Subordinate Lender and Borrower agree that any controversy arising under or in relation to this Security Instrument shall be litigated exclusively in the jurisdiction in which the Mortgaged Property is located. The state and federal courts and authorities with jurisdiction in such locale shall have exclusive jurisdiction over all controversies that arise under or in relation to this Agreement. The parties hereto irrevocably consent to service, jurisdiction, and venue of such courts for any such litigation and waive any other venue to which any might be entitled by virtue of domicile, habitual residence or otherwise.

(g) Severable Provisions.

If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement, shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(h) Term.

The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (1) the payment in full of the principal of, interest on and other amounts payable under the Subordinate Loan Documents; (2) the payment in full of the principal of, interest on and other amounts payable under the Junior Subordinate Loan Documents, other than by reason of payments which Junior Subordinate Lender is obligated to remit to Subordinate Lender pursuant to Section 5 hereof; (3) the acquisition by Subordinate Lender of title to the Mortgaged Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the Subordinate Loan Documents; or (4) the acquisition by Junior Subordinate Lender of title to the Mortgaged Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the Junior Subordinate Loan Documents, but only if such acquisition of title does not violate any of the terms of this Agreement.

(i) Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one (1) and the same instrument.

(j) Sale of Subordinate Loan.

Nothing in this Agreement shall limit Subordinate Lender's (including any assignee or transferee of Subordinate Lender) right to sell or transfer any interest in the Subordinate Loan. With the consent of the Junior Subordination Lender, the Subordinate Loan or a partial interest in the Subordinate Loan (together with this Agreement and the other Loan Documents) may be sold.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Borrower, Subordinate Lender and Junior Subordinate Lender have signed and delivered this Agreement under seal (where applicable) or have caused this Agreement to be signed and delivered under seal (where applicable) by a duly authorized representative. Where applicable law so provides, Borrower, Subordinate Lender and Junior Subordinate Lender intend that this Agreement shall be deemed to be signed and delivered as a sealed instrument.

SUBORDINATE LENDER:

RIALTO HOUSING AUTHORITY, a public body, corporate and politic

By: _____
Tanya Williams, Executive Director

ATTEST:

Barbara A. McGee, Authority Secretary

APPROVED AS TO FORM:

Eric S. Vail, Authority Counsel

Address:

Rialto Housing Authority
150 S. Palm Avenue
Rialto, CA 92376
Attn: Executive Director

JUNIOR SUBORDINATE LENDER:

COUNTY:

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

By: _____
Luther Snoke, Chief Executive Officer

Date: _____

APPROVED AS TO LEGAL FORM:

TOM BUNTON
County Counsel

By: _____
Suzanne Bryant, Deputy County Counsel

Date: _____

Address:

Community Development and Housing Department
San Bernardino County
560 East Hospitality Lane, Suite 200
San Bernardino, CA 92415-0043
Attn: Carrie Harmon, Director of Community Development and Housing.

BORROWER:

IVHP2 APARTMENTS LP,
a California limited partnership

By: IVHP2 GP LLC,
a California limited liability company,
its General Partner

By: National Community Renaissance of California,
a California nonprofit public benefit corporation,
its Managing Member

By: _____
Michael Finn
Chief Financial Officer

Address: c/o National Community Renaissance of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attn: Chief Executive Officer

With a copy to: National Community Renaissance of California
9421 Haven Avenue
Rancho Cucamonga, CA 91730
Attn: Chief Financial Officer

With a copy to: Gubb & Barshay, LLP
235 Montgomery St #1110
San Francisco, CA 94104
Attn: Lauren Fechter

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 _____)

On _____, 20__, before me, _____, Notary Public, personally appeared _____, 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 _____

(Seal)

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 _____)

On _____, 20__, before me, _____, Notary Public, personally appeared _____, 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 _____

(Seal)

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF RIALTO IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 1 OF TRACT NO. 18132, IN THE CITY OF RIALTO, AS SHOWN BY MAP RECORDED IN BOOK 332, PAGES 95 THROUGH 97, INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA. APN 0127-196-48-0-000