

THE INFORMATION IN THIS BOX IS NOT A PART OF THE CONTRACT AND IS FOR COUNTY USE ONLY



Contract Number
25-141

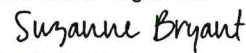

SAP Number

Community Development and Housing

Department Contract Representative	Carrie Harmon
Telephone Number	382-3983
Contractor	California Department of Housing and Community Development
Contractor Representative	Jason Neal
Telephone Number	(909) 204-3491
Contract Term	March 11, 2025 – March 11, 2082
Original Contract Amount	\$0.00
Amendment Amount	\$0.00
Total Contract Amount	\$0.00
Cost Center	621.000.2472
Grant Number (if applicable)	N/A

Briefly describe the general nature of the contract: The California Department of Housing and Community Development (HCD) Subordination Agreement allows the County HOME Loan to be subordinate to HCD, senior lender for the Citrus Grove, a 152-unit affordable housing community formerly known as the Willow Winchester Project, located at 1453 North Willow in Rialto in accordance with the original HOME Loan Agreement No. 05-514.

FOR COUNTY USE ONLY

Approved as to Legal Form  Suzanne Bryant, Deputy County Counsel Date <u>March 6, 2025</u>	Reviewed for Contract Compliance _____ Date _____	Reviewed/Approved by Department  Carrie Harmon, Director Date <u>March 6, 2025</u>
--	---	--

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

KMO Partners, LLP
3777 Long Beach Boulevard, Suite 280
Long Beach, CA 90807
Attention: Karen Michail Shah

**SPACE ABOVE LINE
FOR RECORDER'S USE**

**SUBORDINATION AGREEMENT
(San Bernardino County)**

This SUBORDINATION AGREEMENT (this "**Agreement**") dated as of March 1, 2025, is executed by and among (i) 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 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**") (ii) SAN BERNARDINO COUNTY, a political subdivision of the State of California ("**Subordinate Lender**"), and (iv) 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 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 up to \$27,100,000 (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 up to \$27,100,000 (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.

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, as Borrower's predecessor in interest (collectively, "Original Borrower"):

a. A loan in the original principal amount of \$3,000,000 (the "Subordinate Loan") pursuant to that certain HOME Investment Partnership Act Agreement dated as of June 14, 2005 (the "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 "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 "Subordinate Mortgage"), executed by Original Borrower for the benefit of Subordinate Lender as Beneficiary and recorded as document 2006-0563298 in the Official Records.

D. Pursuant to that certain Modification to Loan Documents by and between Original Borrower 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 Subordinate Loan.

E. 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 Subordinate Loan Documents ("Assignment and Assumption")

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

G. As a condition to Senior Lender making the Senior Loan, Senior Lender requires that the Senior Loan Documents have priority over the Subordinate Loan Documents.

H. Subordinate Lender and Borrower agree to the subordination in favor of Senior Lender.

AGREEMENTS:

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

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

"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" shall have the meaning set forth in the Recitals.

3. Permission to Place Mortgage Lien Against Mortgaged Property.

Senior Lender agrees, notwithstanding the prohibition against inferior liens on the Mortgaged Property contained in the Senior Loan Documents and subject to the provisions of this Agreement, to permit Subordinate Lender to record the Subordinate Mortgage and other recordable Subordinate Loan Documents against the Mortgaged Property to secure Borrower's obligation to repay the Subordinate Note and all other obligations, indebtedness and liabilities of Borrower to Subordinate Lender under and in connection with the Subordinate Loan.

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

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

(a) Subordinate Loan.

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

(b) Subordinate Note.

The indebtedness evidenced by the Subordinate Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by the Senior Note. The rights and remedies of the payee and each subsequent holder of the Subordinate Note are subject to the restrictions and limitations set forth in this Agreement. Each subsequent holder of the Subordinate Note shall be deemed, by virtue of such holder's acquisition of the Subordinate Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by Subordinate Lender under this Agreement.

(c) Subordinate Mortgage and Subordinate Loan Documents.

The Subordinate Mortgage 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 Senior Security Instrument, and the terms, covenants and conditions of the Senior Loan Agreement, as more fully set forth in this Agreement.

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

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

(e) Term.

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

(f) Subordinate Loan Documents.

The executed 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 Subordinate Loan Documents, Borrower shall deliver to Senior Lender an executed copy of each of the Subordinate Loan Documents, certified to be true, correct and complete.

(g) Senior Loan Documents.

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

5. Terms of Subordination.

(a) Agreement to Subordinate.

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

(b) Subordination of Subrogation Rights.

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 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 Senior Security Instrument, then, in that event, such lien shall be subject and subordinate to the lien of the Senior Security Instrument.

(c) Payments Before Senior Loan Default.

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

(d) Payments After Senior Loan Default.

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

(e) Remitting Subordinate Loan Payments to Senior Lender.

If, after Subordinate Lender receives a Default Notice from Senior Lender in accordance with Section 5(d), Subordinate Lender receives any payments under the Subordinate Loan Documents, Subordinate Lender agrees that such payment or other distribution will be received and held in trust for Senior Lender, and unless Senior Lender otherwise notifies Subordinate Lender in writing, will be

promptly remitted, in kind to Senior Lender, properly endorsed to Senior Lender, to be applied to the principal of, interest on and other amounts due under the Senior Loan Documents in accordance with the provisions of the Senior Loan Documents. By executing this Agreement, Borrower specifically authorizes Subordinate Lender to endorse and remit any such payments to Senior Lender and specifically waives any and all rights to have such payments returned to Borrower or credited against the Subordinate Loan. Borrower and Senior Lender acknowledge and agree that payments received by Subordinate Lender, and remitted to Senior Lender, under this Section 5, shall not be applied or otherwise credited against the Subordinate Loan, nor shall the tender of such payment to Senior Lender waive any Subordinate Loan Default which may arise from the inability of Subordinate Lender to retain such payment or apply such payment to the Subordinate Loan.

(f) Notice of Payment from Other Persons.

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

(g) Agreement Not to Commence Bankruptcy Proceeding.

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 Senior Lender.

6. Default Under Subordinate Loan Documents.

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

Subordinate Lender shall deliver to Senior 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 Senior Lender shall not prevent the exercise of Subordinate Lender's rights and remedies under the Subordinate Loan Documents, subject to the provisions of this Agreement. Senior Lender shall have the right, but not the obligation, to cure any Subordinate Loan Default within ninety (90) days following the date of such notice; provided, however that Subordinate Lender shall be entitled, during such ninety (90) day period, to continue to pursue its rights and remedies under the Subordinate Loan Documents. All amounts paid by Senior Lender in accordance with the Senior Loan Documents to cure a Subordinate Loan Default shall be deemed to have been advanced by Senior Lender pursuant to, and shall be secured by, the Senior Loan Agreement and the lien of the Senior Security Instrument.

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

If a Subordinate Loan Default occurs and is continuing, Subordinate Lender agrees that, without Senior Lender's prior written consent, it will not commence foreclosure proceedings with respect to the Mortgaged Property under the Subordinate Loan Documents or exercise any other rights or remedies it may have under the Subordinate Loan Documents, including, but not limited to accelerating the Subordinate Loan (and enforcing any "due on sale" provision included in the 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 Senior Lender at least sixty (60) days prior written notice; provided, however that, during such sixty (60) day period, Subordinate Lender shall be entitled, following an event of default under the Subordinate Loan Documents, to (a) compute interest on all amounts due and payable under the Subordinate Loan at the default rate described in the Subordinate Loan Documents, and (b) compute prepayment premiums and late charges. Notwithstanding anything to the contrary herein, Senior 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 Subordinate Loan Documents.

(c) Cross Default.

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

7. Default Under Senior Loan Documents.

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

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

(b) Cross Default.

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

8. Conflict.

Borrower, Senior Lender and Subordinate Lender each agrees that, in the event of any conflict or inconsistency between the terms of the Senior Loan Documents, the 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 Senior Lender and Subordinate Lender in the Mortgaged Property; (b) the timing of the exercise of remedies by Senior Lender and Subordinate Lender under the Senior Loan Documents and the Subordinate Loan Documents, respectively; and (c) solely as among Senior Lender and Subordinate Lender, the notice requirements, cure rights, and the other rights and obligations which Senior Lender and 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 Senior Loan Default or Subordinate Loan Default, as the case may be; give Borrower the right to notice of any Senior Loan Default or Subordinate Loan Default, as the case may be other than that, if any, provided, respectively under the Senior Loan Documents or the Subordinate Loan Documents; or create any other right or benefit for Borrower as against Senior Lender or Subordinate Lender.

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

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

(a) Protection of Security Interest.

Subordinate Lender shall not, without the prior written consent of Senior Lender in each instance, take any action which has the effect of increasing the indebtedness outstanding under, or secured by, the Subordinate Loan Documents, except that Subordinate Lender shall have the right to advance funds to cure Senior Loan Defaults pursuant to Section 7(a) and advance funds pursuant to the 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 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 Senior Security Instrument remains a lien on the Mortgaged Property the following provisions shall apply:

(1) Subordinate Lender hereby agrees that its rights (under the 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 Senior Lender's rights under the Senior Loan Documents with respect thereto, and Subordinate Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by Senior Lender; provided, however, this subsection and/or anything contained in this Agreement shall not limit the rights of 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 Senior Loan) in accordance with the Senior Loan Documents; provided, however, that if Senior Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the Senior Loan, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Senior Loan shall be paid to, and may be applied by, Subordinate Lender in accordance with the applicable provisions of

the Subordinate Loan Documents, provided however, Senior Lender agrees to consult with Subordinate Lender in determining the application of Casualty proceeds, provided further however that in the event of any disagreement between Senior Lender and Subordinate Lender over the application of Casualty proceeds, the decision of Senior Lender, in its sole discretion, shall prevail.

(c) Insurance.

Subordinate Lender agrees that all original policies of insurance required pursuant to the Senior Security Instrument shall be held by Senior Lender. The preceding sentence shall not preclude 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 Senior Security Instrument, 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 Subordinate Loan Documents.

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

10. Modification or Refinancing of Senior Loan.

Subordinate Lender consents to any agreement or arrangement in which Senior Lender waives, postpones, extends, reduces or modifies any provisions of the Senior Loan Documents, including any provision requiring the payment of money; provided, however, that Senior Lender shall not amend or modify the terms of the Senior Loan or any of the Senior Loan Documents without the prior written consent of Subordinate Lender if such amendment or modification has the effect of (i) increasing the amount of the Senior Loan, except in the case of sums advanced by Senior Lender in exercising its rights and remedies with respect to the Senior Loan; (ii) increasing the annual interest rate(s), including the default interest rate, above the interest rate(s) described in the Senior Note; or (iii) decreasing the term of the Senior Loan, except in connection with any acceleration of the Senior Loan pursuant to the terms of the Senior Loan Documents. No decision by Subordinate Lender to review or not review the Senior 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 Subordinate Loan Documents, with prior 30-days written notice to Subordinate Lender, Borrower may refinance the Senior Loan with a non-profit, commercial, governmental or institutional lender without the prior consent of the Subordinate Lender ("**Refinanced Senior Indebtedness**") in accordance with any applicable provisions of the Subordinate Loan Agreement, and the Subordinate Lender hereby agrees to subordinate the lien of Subordinate Deed of Trust and any associated regulatory agreement to the Refinanced Senior Indebtedness and the lien of any deed of trust or mortgage securing the Refinanced Senior Indebtedness on the same terms and conditions as in this Agreement, provided that the principal balance of the Refinanced Senior Indebtedness does not exceed the then outstanding principal balance of the Senior Loan plus the costs incurred in securing the Refinanced Senior Indebtedness, the Refinanced Senior Indebtedness does not increase the interest rate of the Senior Loan, and the Refinanced Senior Indebtedness does not change the term of the Senior Loan.

11. Reserved.

12. Reinstatement.

To the extent that Borrower makes a payment to Senior Lender or Senior Lender receives any payment or proceeds of the collateral securing the Senior 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 Senior 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 Senior 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, Senior Lender and Subordinate Lender and shall inure to the benefit of the respective legal successors, transferees and assigns of Borrower, Senior Lender and Subordinate Lender. Borrower shall not assign any of its rights and obligations under this Agreement without the prior written consent of Senior Lender.

(b) No Partnership or Joint Venture.

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

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

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

(d) Further Assurances.

Subordinate Lender, Senior 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 Subordinate Mortgage and other Subordinate Loan Documents are subordinate to the lien, covenants and conditions of the Senior 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. Senior Lender, 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 Senior Loan Documents; (2) the payment in full of the principal of, interest on and other amounts payable under the Subordinate Loan Documents, other than by reason of payments which Subordinate Lender is obligated to remit to Senior Lender pursuant to Section 5 hereof; (3) the acquisition by Senior 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 Senior Loan Documents; or (4) 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, 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 Senior Loan.

Nothing in this Agreement shall limit Senior Lender's (including any assignee or transferee of Senior Lender) right to sell or transfer any interest in the Senior Loan. The Senior Loan or a partial interest in the Senior Loan (together with this Agreement and the other Loan Documents) may be sold one or more times without prior notice to Borrower. Senior Lender shall give Subordinate Lender notice of any such sale or transfer.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, Borrower, Senior Lender and 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, Senior Lender and Subordinate Lender intend that this Agreement shall be deemed to be signed and delivered as a sealed instrument.

SENIOR LENDER:

JPMORGAN CHASE BANK, N.A.

By: _____

James Vossoughi
Authorized Officer

Address:

JPMorgan Chase Bank, N.A.
Community Development Banking
560 Mission Street, Floor 4
San Francisco, CA 94105
Attention: James Vossoughi

SUBORDINATE LENDER:

COUNTY:

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

By: _____
Luther Snoke
Chief Executive Officer

Date: _____

~~SIGNED AND CERTIFIED THAT A COPY OF THIS
DOCUMENT HAS BEEN DELIVERED TO THE CHAIR
OF THE BOARD~~

Lynna Monell
Clerk of the Board of Supervisors
Of San Bernardino County

By: _____
Deputy

APPROVED AS TO LEGAL FORM:
TOM BUNTON
County Counsel

By: Suzanne Bryant
Suzanne Bryant, Deputy County Counsel

Date: 3/4/2025

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

CALIFORNIA 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 _____)
)SS.:
COUNTY OF _____)

On _____ before me, _____ (here insert name and title of officer), 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.

Notary Public

Print Name: _____

My commission expires:

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