

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Davis Wright Tremaine LLP
865 S. Figueroa Street
Suite 2400
Los Angeles, California 90017
Attention: Nancy Clapp, Esq.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SUBORDINATION AGREEMENT
(City of Santa Ana)

This SUBORDINATION AGREEMENT (this “**Agreement**”) dated as of _____, 2023, is executed by and among (i) BANK OF AMERICA, N.A., a national banking association (“**Senior Lender**”), (ii) CITY OF SANTA ANA, a charter city and municipal corporation (“**Subordinate Lender**”), (iii) NORTH BROADWAY HOUSING PARTNERS LP, a California limited partnership (“**Borrower**”), and (iv) WISEPLACE, a California nonprofit public benefit corporation (“**Ground Lessor**”, and together with Borrower, “**Trustor**”).

RECITALS:

A. Senior Lender has determined to make a mortgage loan to the Borrower in the maximum aggregate principal amount of \$_____ (the “**Senior Loan**”) to provide for the financing of a 48-unit rental housing development project (the “**Project**”) on certain real property more particularly described on Exhibit A attached hereto (the “**Land**”). The Senior Loan will be made pursuant to that certain Construction Loan Agreement dated as of even date herewith (as amended from time to time, the “**Senior Loan Agreement**”), between Senior Lender, as lender, and Borrower, as borrower. The Senior Loan is evidenced by, among other things, that certain Promissory Note dated as of even date herewith (the “**Senior Note**”), made by Borrower to the order of Senior Lender in the face principal amount of \$_____.

B. To secure Borrower’s obligations under the Senior Loan Agreement and the Senior Note, the Borrower is executing and delivering that certain Construction Deed of Trust, Assignment, Security Agreement and Fixture Filing dated as of even date herewith (as amended from time to time, the “**Senior Security Instrument**”), executed by Borrower for the benefit of Senior Lender, encumbering, among other things, Borrower’s leasehold interest in the Land, Ground Lessor’s fee simple interest in the Land, and certain personal property more particularly described therein (collectively, the “**Mortgaged Property**”), which is being recorded in the Official Records of the County of Orange, State of California (the “**Official Records**”), substantially concurrently herewith.

C. The Senior Loan Agreement, the Senior Note, the Senior Security Instrument and all of the other “Loan Documents” (as defined in the Senior Loan Agreement) are collectively referred to herein as the “**Senior Loan Documents**”.

D. Borrower has requested Senior Lender to permit that certain subordinate loan in the amount of ///[\$5,256,327]/// (the “**Subordinate Loan**”) from Subordinate Lender to Borrower and to allow the Subordinate Loan to be secured by mortgage liens against the Mortgaged Property. The Subordinate Loan is being made pursuant to that certain HOME-American Rescue Plan (HOME-ARP) Loan Agreement dated as of March ___, 2023 (the “**Subordinate Loan Agreement**”), by and between Borrower and Subordinate Lender. The Subordinate Loan is evidenced by that certain City HOME-ARP Loan Note Secured By Subordinated Deed of Trust to the City of Santa Ana, California dated as of March ___, 2023 (the “**Subordinate Note**”), executed by Borrower to the order of Subordinate Lender in the face principal amount of ///[\$5,256,327]/// and secured by that certain City HOME-ARP Deed of Trust and Assignment of Rents dated as of March ___, 2023 (the “**Subordinate Mortgage**”), executed by Borrower for the benefit of Subordinate Lender and recorded in the Official Records substantially concurrently herewith. In connection with the Subordinate Loan, Borrower and Subordinate Lender will also enter into that certain Affordability Restrictions on Transfer of Property dated as of March ___, 2023 (the “**Unsubordinated City Regulatory Agreement**”) and recorded in the Official Records substantially concurrently herewith. Borrower and Subordinate Lender also entered into that certain Density Bonus Agreement dated as of June 21, 2022 (the “**Density Bonus Agreement**”), by and between Borrower and Subordinate Lender and recorded in the Official Records on June 29, 2022 under Instrument No. 2022000231667.

E. Senior Lender has agreed to permit the Subordinate Loan and to allow the subordinate mortgage liens against the Mortgaged Property subject to all of the conditions contained in this Agreement.

AGREEMENTS:

NOW, THEREFORE, in order to induce the Senior Lender to permit the Subordinate Lender to make the Subordinate Loan to Borrower and to place a subordinate mortgage lien against the Mortgaged Property, and in consideration thereof, Senior Lender, Subordinate Lender and Trustor 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, and in all cases any other Person that holds fifty percent (50%) or more of the ownership interests in such Person.

“**Borrower**” means the Person named as such in the first paragraph on page 1 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 (a) a Saturday, (b) a Sunday, (c) a day on which Senior Lender or Subordinate Lender is not open for business, or (d) a day on which the Federal Reserve Bank of New York is not open for business.

“**Condemnation Action**” means any action or proceeding, however characterized or named, relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect.

“**Control**” (including with correlative meanings, the terms “Controlling,” “Controlled by” and “under common Control with”), as applied to any entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or operations of such entity, whether through the ownership of voting securities, ownership interests or by contract or otherwise.

“**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 any written notice from Subordinate Lender to Borrower and Senior Lender stating that a Subordinate Loan Default or a default under any Unsubordinated City Regulatory Agreement or the Density Bonus Agreement has occurred, as applicable. Each Default Notice shall specify the default upon which such Default Notice is based.

“**Official Records**” means the Official Records of Orange County, California.

“**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 on Page 1 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 Agreement**” has the meaning set forth in Recital A, above.

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

“**Senior Loan Documents**” has the meaning set forth in Recital C, above.

“**Senior Note**” has the meaning set forth in Recital A, above.

“**Senior Security Instrument**” has the meaning set forth in Recital B, above.

“**Subordinate Assignment**” means that certain Assignment of Lessor’s Interest in Leases, Rents and Profits dated as of _____, 2023, executed by Borrower for the benefit of Lender, which is recording in the Official Records substantially concurrently herewith, encumbering the Mortgaged Property as security for the Subordinate Loan.

“**Subordinate Lender**” means the Person named as such in the first paragraph on page 1 of this Agreement, any successor or assign of Subordinate Lender, or any other Person who becomes the legal holder of the Subordinate Note after the date of this Agreement.

“**Subordinate Loan Agreement**” has the meaning set forth in Recital D, above.

“**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 Subordinate Loan Agreement, Subordinate Note, the Subordinate Mortgage, the Subordinate Assignment, any UCC-1 financing statement filed showing Borrower, as debtor, and Subordinate Lender, as secured party, filed in connection with the Subordinate Loan, and all other documents evidencing, securing or otherwise executed and delivered in connection with the Subordinate Loan, but specifically excluding the Unsubordinated City Regulatory Agreement and the Density Bonus Agreement.

“**Subordinate Loan**” has the meaning set forth in Recital D, above.

“**Subordinate Mortgage**” has the meaning set forth in Recital D, above.

“**Subordinate Note**” has the meaning set forth in Recital D, above.

“**Unsubordinated City Regulatory Agreement**” has the meaning set forth in Recital D, above.

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, the Unsubordinated City Regulatory Agreement, 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. Such permission is subject to the condition that each of the representations and warranties made by the Borrower and the Subordinate Lender in Section 4 is true and correct on the date of this Agreement and on the date on which the proceeds of the Subordinate Loan are disbursed to the Borrower. If any of the representations and warranties made by the Borrower and the Subordinate Lender in Section 4 is not true and correct on both of those dates, the

provisions of the Senior Loan Documents applicable to unpermitted liens on the Mortgaged Property shall apply.

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 Documents.

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

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

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

(c) Term.

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

(d) Subordinate Loan Documents and Unsubordinated City Regulatory Agreement.

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

5. Deliveries.

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.

6. Terms of Subordination.

(a) Agreement to Subordinate.

Senior Lender and Subordinate Lender agree that (1) the Unsubordinated City Regulatory Agreement and the Density Bonus Agreement shall remain senior to the lien of the Senior Security Instrument and all other Senior Loan Documents, (2) subject to the terms of paragraph (c) below in this Section 6, 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 (3) 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 (1) 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 (2) 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 or the Unsubordinated City Regulatory Agreement, 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.

Notwithstanding anything to the contrary in this Agreement, 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 or until the Senior Loan has been repaid in full. 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 6 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 6(d).

(e) Remitting Subordinate Loan Payments to Senior Lender.

If, after Subordinate Lender receives a Default Notice from Senior Lender in accordance with Section 6(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 6, 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 Senior Lender's prior written consent.

7. Default Under Subordinate Loan Documents, Unsubordinated City Regulatory Agreement or Density Bonus Agreement.**(a) Notice of Subordinate Loan Default and Cure Rights.**

During the term of this Agreement, 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, the Unsubordinated City Regulatory Agreement or the Density Bonus Agreement, as applicable, subject to the provisions of this Agreement. Senior Lender shall have the right, but not the obligation, to cure any Subordinate Loan Default or any default under the Unsubordinated City Regulatory Agreement or the Density Bonus Agreement within sixty (60) days following the date of such notice; provided, however that Subordinate Lender shall be

entitled, during such sixty (60) day period, to continue to pursue its rights and remedies under the Subordinate Loan Documents, the Unsubordinated City Regulatory Agreement or the Density Bonus Agreement, as applicable, to the extent permitted under Section 7(b). All amounts paid by Senior Lender in accordance with the Senior Loan Documents to cure a Subordinate Loan Default or a default under the Unsubordinated City Regulatory Agreement or the Density Bonus Agreement shall be deemed to have been advanced by Senior Lender pursuant to, and shall be secured by, the Senior Loan Agreement and the Senior Security Instrument.

(b) Subordinate Lender's Agreement to Standstill.

If a Subordinate Loan Default or a default under any Unsubordinated City Regulatory Agreement occurs and is continuing, the Subordinate Lender agrees that, without the Senior Lender's prior written consent, it will not accelerate the Subordinate Loans, commence foreclosure proceedings with respect to the Mortgaged Property, collect rents, appoint (or seek the appointment of) a receiver or institute any other collection or enforcement action.

(c) Cross Default.

Trustor and Subordinate Lender agree that a Subordinate Loan Default and/or a default under the Unsubordinated City Regulatory Agreement 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 or of any default under the Unsubordinated City Regulatory Agreement 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 or default under the Unsubordinated City Regulatory Agreement 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.

8. 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 Agreement. The Subordinate Lender shall have the right, but not the obligation, to cure any such Senior Loan Default as provided below. Subordinate Lender shall have up to thirty (30) days from the date of the Default Notice to cure any monetary default under the Senior Loan Documents; provided, however, that the Senior Lender shall be entitled during such 30-day period to continue to pursue its remedies with respect to the Mortgaged Property. Subordinate Lender shall have up to

sixty (60) days from the date of the Default Notice to cure a non-monetary default if during such 60-day period Subordinate Lender keeps current all payments required by the Senior Loan Documents. In the event that such a non-monetary default creates an unacceptable level of risk relative to the Mortgaged Property, or Senior Lender's secured position relative to the Mortgaged Property, as determined by Senior Lender in its sole discretion, then Senior Lender may exercise during such 60-day period all available rights and remedies to protect and preserve the Mortgaged Property and the rents, revenues and other proceeds from the Mortgaged Property. All amounts paid by the Subordinate Lender to the Senior Lender to cure a Senior Loan Default shall be deemed to have been advanced by the Subordinate Lender pursuant to, and shall be secured by 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 has 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.

9. Conflict.

Trustor, 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, the Unsubordinated City Regulatory Agreement, the Density Bonus Agreement 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 and/or the Unsubordinated City Regulatory Agreement, respectively; and (c) solely as between 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. Trustor acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend Trustor's time to cure any Senior Loan Default or Subordinate Loan Default and/or default under the Unsubordinated City Regulatory Agreement or the Density Bonus Agreement, as the case may be; give Trustor the right to notice of any Senior Loan Default or Subordinate Loan Default and/or default under the Unsubordinated City Regulatory Agreement or the Density Bonus Agreement, as the case may be other than that, if any,

provided, respectively under the Senior Loan Documents or the Subordinate Loan Documents, Unsubordinated City Regulatory Agreement and/or the Density Bonus Agreement; or create any other right or benefit for Trustor as against Senior Lender or Subordinate Lender.

10. 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 8(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.

Following the occurrence of (1) a Condemnation Action, or (2) 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:

(A) Subordinate Lender hereby agrees that its rights (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a Condemnation Action or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Condemnation Action 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 Condemnation Action or a Casualty made by Senior Lender; provided, however, this subsection 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 Condemnation Action or Casualty; and

(B) all proceeds received or to be received on account of a Condemnation Action 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 the manner determined by Senior Lender in its sole discretion; provided, however, that if Senior Lender is entitled to and 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 or Unsubordinated City Regulatory Agreement.

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 any Subordinate Loan, increase the required payments due under any Subordinate Loan, decrease the term of any Subordinate Loan, increase the interest rate on any Subordinate Loan, or otherwise amend any Subordinate Loan terms or the Unsubordinated City Regulatory Agreement or the Density Bonus Agreement in a manner that creates an adverse effect upon Senior Lender under the Senior Loan Documents. Any unauthorized amendment of the Subordinate Loan Documents, the Unsubordinated City Regulatory Agreement or the Density Bonus Agreement, or assignment of Subordinate Lender's interest in any Subordinate Loan without Senior Lender's consent, shall be void ab initio and of no effect whatsoever and Subordinate Lender agrees that it shall not transfer or assign the Subordinate Loan or any Subordinate Loan Document without the prior written consent of the Senior Lender.

11. 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. Subordinate Lender further agrees that its agreement to subordinate hereunder shall extend to any amendments or additional documents executed in connection with any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Loan (including reasonable and necessary costs associated with the closing and/or the refinancing) and, in the event of new mortgage debt, Subordinate Lender shall execute

and deliver to Senior Lender a new subordination agreement on the same terms and conditions as this Subordination Agreement; and that all the terms and covenants of this Agreement shall inure to the benefit of any holder of any such refinanced debt; and that all references to the Senior Loan, the Senior Note, the Senior Loan Agreement, the Senior Security Instrument, the Senior Loan Documents and Senior Lender shall mean, respectively, the refinance loan, the refinance note loan agreement, the mortgage securing the refinance note, all documents evidencing securing or otherwise pertaining to the refinance note and the holder of the refinance note.

12. Default by Subordinate Lender or Senior Lender.

If Subordinate Lender or Senior Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by it under this Agreement, the other, non-defaulting lender shall have the right to all available legal and equitable relief.

13. Special Provisions Regarding Unsubordinated City Regulatory Agreement.

(a) Transfers. Notwithstanding anything set forth in the Unsubordinated City Regulatory Agreement or the Density Bonus Agreement to the contrary, nothing in the Unsubordinated City Regulatory Agreement or the Density Bonus Agreement shall be deemed to restrict or limit, or require the consent of Subordinate Lender to, the following: (i) any foreclosure or deed in lieu of foreclosure of the Senior Security Instrument by Senior Lender or its successor, assigns, or nominee (a “**Foreclosure Action**”), or (ii) the first subsequent transfer by Senior Lender or its successors, assigns or nominee following a Foreclosure Action. Neither the successor owner initially acquiring title to the Mortgaged Property as a result of a Foreclosure Action, nor its immediate successor in interest, shall be subject to any of the limitations upon creation of indebtedness nor creation of any lien securing indebtedness set forth in the Unsubordinated City Regulatory Agreement or the Density Bonus Agreement; provided that any subsequent mortgagee or lienholder with respect to such indebtedness shall agree that in the event of foreclosure or deed in lieu of foreclosure, the transferee under such foreclosure agrees that it will take subject to the Unsubordinated City Regulatory Agreement and the Density Bonus Agreement; and provided further that all other subsequent encumbrances shall be subject to Subordinate Lender’s approval under the Unsubordinated City Regulatory Agreement and the Density Bonus Agreement. Any sale, assignment or transfer of the Mortgaged Property following a transfer pursuant to a Foreclosure Action (other than the first transfer thereafter) shall be subject to Subordinate Lender’s rights under the Unsubordinated City Regulatory Agreement and the Density Bonus Agreement to approve such transfer, except that Subordinate Lender agrees that its decision to approve any such sale, assignment or other transfer will be based solely upon whether the proposed transferee is qualified to manage and operate affordable housing projects similar to the Mortgaged Property, and the Subordinate Lender will not unreasonably withhold, delay or condition its consent to any such proposed transfer;

(b) Compliance with Subordinate Loan Documents. Notwithstanding anything to the contrary set forth in the Unsubordinated City Regulatory Agreement, from and after any foreclosure or deed in lieu of foreclosure, neither Senior Lender nor any successor in interest to the Property following any foreclosure or deed in lieu of foreclosure of the Senior Deed of Trust (collectively, the “**Successor Owner**”), shall be obligated to comply with the terms of any

Subordinate Loan Document and neither Senior Lender, nor any Successor Owner have any obligation to repay the Subordinate Loan.

(c) Indemnification Provisions in Unsubordinated City Regulatory Agreement. Notwithstanding anything to the contrary set forth in the Unsubordinated City Regulatory Agreement or the Density Bonus Agreement, in no event shall Senior Lender or any Successor Owner be liable to Subordinate Lender for amounts due to the Subordinate Lender under the Unsubordinated City Regulatory Agreement or the Density Bonus Agreement as the result of an act or a failure to act occurring prior to the date on which Senior Lender or its successor, assign, or nominee acquires title to the Mortgaged Property by foreclosure or deed in lieu of foreclosure.

(d) Default Under Unsubordinated City Regulatory Agreement. No Successor Owner shall be required to cure any default under the Unsubordinated City Regulatory Agreement first occurring prior to the date upon which such Successor Owner acquired title to the Mortgaged Property, except that each Successor Owner shall be required to cure continuing defaults under the Unsubordinated City Regulatory Agreement related to the Mortgaged Property; provided further, however, that each such Successor Owner shall have 120 days after the date upon which it acquires title to the Mortgaged Property to cure such continuing defaults, or, if any such continuing default is not reasonably susceptible to a cure by such Successor Owner within such period, to commence curing such default (and in such latter case, such owner shall thereafter continuously and diligently pursue the cure of such default to completion).

14. 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, this Agreement shall be reinstated and continue in full force and effect until full and final payment shall have been made to Senior Lender. Subordinate Lender agrees to hold in trust for Senior Lender and promptly remit to Senior Lender any payments received by Subordinate Lender after such invalidated, rescinded or returned payment was originally made.

15. Notices.

Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which the Senior Lender or the Subordinate Lender is required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly

maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the United States), addressed to the respective parties as follows:

SENIOR LENDER:

Bank of America, N.A.
 Mail Code #CA4-704-06-06
 2000 Clayton Road
 6th Floor
 Concord, California 94520-2405
 Attention: Loan Administration Manager

SUBORDINATE LENDER:

City of Santa Ana
 City Manager
 20 Civic Center Plaza
 P.O. Box 1988
 Santa Ana, California 92702

With a copy to:

City of Santa Ana
 City Attorney
 20 Civic Center Plaza
 7th Floor (M-29)
 Santa Ana, California 92702

Either party may, by notice given pursuant to this Section, change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses for its notices, but notice of a change of address shall only be effective upon receipt.

16. General.

(a) Assignment/Successors.

This Agreement shall be binding upon Trustor, Senior Lender and Subordinate Lender and shall inure to the benefit of the respective legal successors, transferees and assigns of Trustor, Senior Lender and Subordinate Lender. Trustor shall not assign any of its rights and obligations under this Agreement without the prior written consent of Senior Lender and Subordinate 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. Neither party hereto shall hold itself out as a partner, agent or Affiliate of the 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 Trustor 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 is 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 Trustor 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) 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.

(i) 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 the Senior Loan, or 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 Trustor.

[Remainder of Page Intentionally Left Blank]

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

SENIOR LENDER:

BANK OF AMERICA, N.A.,
a national banking association

By: _____
Michael K. Petty
Senior Vice President

Address: Bank of America, N.A.
Mail Code #CA4-704-06-06
2000 Clayton Road
6th Floor
Concord, California 94520-2405
Attention: Loan Administration Manager

BORROWER:

NORTH BROADWAY HOUSING PARTNERS LP,
a California limited partnership

By: JHC-North Broadway LLC,
a California limited liability company,
its Managing General Partner

By: Jamboree Housing Corporation,
a California non-profit public benefit corporation,
its Managing Member

By: _____
Michael Massie
Chief Development Officer

Borrower's address for notice purposes:

North Broadway Housing Partners LP
c/o Jamboree Housing Corporation
17701 Cowan Avenue
Suite 200
Irvine, CA 92614
Attention: Asset Management

With a copy to:

Rutan & Tucker, LLP
18575 Jamboree Road
9th Floor
Irvine, CA 92612
Attention: Patrick D. McCalla, Esq.

GROUND LESSOR:

WISEPLACE,

a California nonprofit public benefit corporation

By: _____

[Name]

[Title]

Ground Lessor's address for notice purposes:

WISEPlace

Attention: _____

SUBORDINATE LENDER:

CITY OF SANTA ANA,
a charter city and municipal corporation

By: _____
Kristine Ridge
City Manager

ATTEST:

By: _____
Norma Orozco
Clerk of the Council

Dated: _____

APPROVED AS TO FORM:

SONIA R. CARVALHO, City Attorney

By: Matt Reilly
Special Counsel to the City
Best, Best & Krieger

Dated: 2/23/23

RECOMMENDED FOR APPROVAL:

By: _____
Michael L. Garcia
Executive Director
Community Development Agency

EXHIBIT A
Legal Description

APN: _____

All that certain real property situated in the County of Orange, State of California, described as follows:

COMMENCING AT THE CENTERLINE INTERSECTION OF 15TH STREET AND SYCAMORE STREET AS SHOWN ON THE RECORD OF SURVEY NO 85-1067, RECORDED IN BOOK 111, PAGE 38, OF RECORD OF SURVEYS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID ORANGE COUNTY, SAID CENTERLINE OF SYCAMORE STREET BEING DESCRIBED IN THAT CERTAIN FINAL JUDGMENT, SUPERIOR COURT CASE NO. 23280, A CERTIFIED COPY OF WHICH WAS RECORDED JANUARY 8, 1929 IN BOOK 227, PAGE 401 OF OFFICIAL RECORDS OF SAID ORANGE COUNTY, CALIFORNIA; THENCE SOUTHERLY ALONG SAID CENTERLINE OF SYCAMORE STREET SOUTH 00° 14' 46" WEST, 90 FEET AND SOUTH 00° 04' 48" EAST, 213.42 FEET TO THE POINT OF BEGINNING; THENCE LEAVING SAID CENTERLINE NORTH 89° 58' 21" WEST, 312.17 FEET TO THE CENTERLINE OF BROADWAY, THENCE NORTHERLY ALONG SAID CENTERLINE OF BROADWAY NORTH 00° 16' 10" EAST, 75.00 FEET TO THE SOUTHWEST CORNER OF THE LAND DESCRIBED IN A DEED TO T. J. MULLINIX RECORDED OCTOBER 29, 1897 IN BOOK 33, PAGE 197 OF DEEDS OF SAID ORANGE COUNTY; THENCE EASTERLY ALONG SAID SOUTHERLY LINE OF SAID DEED TO T. J. MULLINIX SOUTH 89° 58' 10" EAST, 181.72 FEET TO THE WESTERLY LINE OF THE EAST 130.00 FEET OF THAT PORTION OF THE LAND ALLOTTED TO JACOB ROSS, AS DESCRIBED IN THE FINAL DECREE OF PARTITION OF THE RANCHO SANTIAGO DE SANTA ANA, WHICH WAS ENTERED SEPTEMBER 12, 1869 IN BOOK "B", PAGE 410 OF JUDGMENTS OF THE DISTRICT COURT OF THE 17TH JUDICIAL DISTRICT IN AND FOR LOS ANGELES COUNTY, CALIFORNIA; THENCE NORTHERLY, ALONG SAID WESTERLY LINE NORTH 00° 04' 48" WEST, 77.08 FEET; THENCE SOUTH 89°58'10" EAST, 130.00 FEET TO THE ABOVE MENTIONED CENTERLINE OF SYCAMORE STREET; THENCE SOUTHERLY ALONG SAID CENTERLINE OF SYCAMORE STREET, SOUTH 00°04'48" EAST, 152.06 FEET TO THE POINT OF BEGINNING.

SAID LAND IS SHOWN AS LOT 1 ON VOLUNTARY LOT MERGER NO. 2022-06 RECORDED JANUARY 26, 2023 AS INSTRUMENT NO. 2023000018589, OFFICIAL RECORDS OF SAID COUNTY.

Assessor's Parcel Number: 398-523-04

CALIFORNIA ALL-PURPOSE 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)
) ss
County of _____)

On _____, 2023 before me, _____, a 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)

CALIFORNIA ALL-PURPOSE 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)
) ss
County of _____)

On _____, 2023 before me, _____,
a 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)

CALIFORNIA ALL-PURPOSE 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)
) ss
County of _____)

On _____, 2023 before me, _____,
a 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
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foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____

(Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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State of California)
) ss
County of _____)

On _____, 2023 before me, _____, a 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)