

Recording Requested By
And When Recorded Mail To:

Buchalter, a Professional Corporation
1000 Wilshire Blvd., Suite 1500
Los Angeles, California 90017
Attention: Scott Salomon, Esq.

Space Above For Recorder's Use

**SUBORDINATION AGREEMENT
(Senior Loan / City Loan)**

THIS SUBORDINATION AGREEMENT (this "**Agreement**") is entered into as of [October __, 2021] by and among (i) **BANK OF AMERICA, N.A.**, a national banking association (the "**Senior Lender**"), (ii) the **CITY OF RIVERSIDE**, a California charter city and municipal corporation (the "**Subordinate Lender**"), and (iii) **RIVERSIDE SUPPORTIVE HOUSING, L.P.**, a California limited partnership (the "**Borrower**").

Recitals

A. The California Municipal Finance Authority, a joint exercise of powers agency organized and existing pursuant to the laws of the State of California (in such capacity, together with any successor to its rights, duties and obligations, the "**Governmental Lender**"), has made a loan to the Borrower (the "**First Mortgage Loan**") in the maximum aggregate original principal amount of \$[28,635,346]. The First Mortgage Loan was made pursuant to (i) that certain Project Loan Agreement dated as of [October 1, 2021] (as amended from time to time, the "**Project Loan Agreement**"), by and among Governmental Lender, as lender, Borrower, as borrower, and U.S. Bank National Association, a national banking association, as fiscal agent (the "**Fiscal Agent**"), and (ii) that certain Construction Disbursement Agreement dated as of even date herewith ("**Disbursement Agreement**") executed by and between Borrower and Senior Lender, as servicer of the First Mortgage Loan. The First Mortgage Loan is secured by a first priority deed of trust dated as of even date herewith by Borrower for the benefit of Governmental Lender (as amended from time to time, the "**First Mortgage**"), on a multifamily housing project located in Riverside, California (the "**Property**"), which is being recorded concurrently herewith in the Official Records of the County of Riverside (the "**Land Records**"). The Property is more fully described in Exhibit A attached hereto. The First Mortgage Loan is evidenced by, among other things, that certain \$[22,760,560] promissory note (as amended from time to time, the "**Tax-Exempt First Mortgage Note**") and that certain \$[5,874,786] promissory note (as amended from time to time, the "**Taxable First Mortgage Note**"), and together with the Tax-Exempt First Mortgage Note, collectively, the "**First Mortgage Note**", each of which is dated as of even date herewith and made by the Borrower to the order of the Governmental Lender.

B. Governmental Lender, in order to obtain the funds necessary to enable it to make the First Mortgage Loan to Borrower, obtained a loan (the "**Funding Loan**") from Senior Lender in the maximum aggregate original principal amount of \$[28,635,346]. The Funding Loan was made by Senior Lender to Governmental Lender pursuant to that certain Funding Loan Agreement dated as of [October 1, 2021] (as amended from time to time, the "**Funding Loan Agreement**"), by and among Senior Lender, as lender, Governmental Lender, as borrower, and Fiscal Agent, as fiscal agent. The Funding Loan is evidenced by, among other things, those certain \$[22,760,560] California Municipal Finance Authority Multifamily Housing Revenue Note (Oasis Senior), 2021 Series A-1 (the "**Tax-Exempt Governmental**

Note") and the \$[5,874,786] California Municipal Finance Authority Multifamily Housing Revenue Note (Oasis Senior), 2021 Series A-2 (Taxable)] (the "**Taxable Governmental Note**", and together with the Tax-Exempt Governmental Note, collectively, the "**Governmental Notes**"). In connection with the Governmental Notes, Borrower and Governmental Lender have executed that certain Regulatory Agreement and Declaration of Restrictive Covenants (the "**Regulatory Agreement**"), dated as of [October 1, 2021], to be recorded concurrently herewith in the Land Records. The Senior Lender, pursuant to the terms and subject to the conditions of the Funding Loan Agreement, agreed to fund the proceeds of the Funding Loan to Governmental Lender on a draw-down basis, which proceeds of the Funding Loan in turn were or will be used to fund the First Mortgage Loan to Borrower. In order to secure the repayment of the Funding Loan, the Governmental Lender assigned to Senior Lender, in its capacity as Initial Funding Lender, pursuant to the terms and conditions of the Funding Loan Agreement, all of the Governmental Lender's rights, title and interest in, to, and under the First Mortgage Loan, the Project Loan Agreement, the First Mortgage Note, the First Mortgage, and all of the other "**Project Loan Documents**" (as defined in the Funding Loan Agreement). To further evidence and perfect such assignment, the Governmental Lender duly endorsed the First Mortgage Note to the order of Senior Lender and executed and delivered to Senior Lender that certain Assignment of Deed of Trust and Related Documents (the "**Assignment**"), dated as of even date herewith and recording in the Official Records concurrently herewith, assigning to Senior Lender (and its successors and assigns as holder(s) of the Governmental Notes), among other items, all of Governmental Lender's rights, title and interest under the First Mortgage. The Senior Lender and any subsequent holder of the Governmental Note are referred to herein as the "**Funding Lender**".

C. Subordinate Lender is making or has made a loan to Borrower in the aggregate amount of \$[2,000,000] (the "**Subordinate Loan**") and Borrower has requested to have the Senior Lender permit the Subordinate Loan to be secured by, among other things, a junior deed of trust against the Property.

D. The Senior Lender has agreed to permit the Subordinate Loan to exist and to permit the junior deed of trust against the Property to exist, subject to all of the conditions contained in this Agreement.

E. If Borrower satisfies the "**Conditions to Conversion**" contained in Article 6 of the Disbursement Agreement, the First Mortgage Loan will convert ("**Conversion**") to a term loan (the "**Permanent Loan**") on the Conversion Date (as defined in the Disbursement Agreement). All documents evidencing or otherwise relating to the Permanent Loan are collectively referred to herein as the "**Permanent Loan Documents**".

NOW, THEREFORE, in order to induce the Senior Lender to make the First Mortgage Loan and to permit the Subordinate Loan to exist and be secured by a junior deed of trust against the Property, and in consideration thereof, the Senior Lender, the Subordinate Lender and the Borrower agree as follows:

1. 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 50% or more of the equity interests).

"**Borrower**" means the Person named as such in the first paragraph of this Agreement and any other Person (other than the Senior Lender) who acquires title to the Property after the date of this Agreement.

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

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

"First Mortgage Loan Default" means the occurrence of an "Event of Default" as that term is defined in the First Mortgage Loan Documents.

"First Mortgage Loan Documents" means (i) the First Mortgage Note, the Regulatory Agreement, the First Mortgage, the Disbursement Agreement, and all other documents evidencing, securing or otherwise executed and delivered in connection with the First Mortgage Loan; and (ii) following Conversion of the First Mortgage Loan, the Permanent Loan Documents.

"Person" means an individual, estate, trust, partnership, corporation, limited liability company, limited liability partnership, governmental department or agency or any other entity which has the legal capacity to own property.

"Senior Lender" means the Person named as such in the first paragraph on page 1 of this Agreement. When any other Person becomes the legal holder of the Governmental Note or of the Permanent Loan Documents, such other Person shall automatically become the Senior Lender.

"Subordinate Lender" means the Person named as such in the first paragraph on page 1 of this Agreement and any other Person who becomes the legal holder of the Subordinate Note after the date of this Agreement.

"Subordinate Loan Agreement" means that certain HOME Investment Partnerships Loan Agreement by and between the Subordinate Lender and the Borrower dated [on or about the date hereof].

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

"Subordinate Loan Documents" means the Subordinate Note, the Subordinate Loan Agreement, the Subordinate Mortgage, and all other documents evidencing, securing or otherwise executed and delivered in connection with the Subordinate Loan, provided, however, the Unsubordinated Regulatory Agreement is not a "Subordinate Loan Document".

"Subordinate Mortgage" means that certain HOME Investment Partnerships (HOME) Deed of Trust, Fixture Filing and Assignment of Rents dated [on or about the date hereof] by Borrower for the benefit of Subordinate Lender, to be recorded in the Land Records concurrently herewith.

"Subordinate Note" means, collectively, that certain \$2,000,000 HOME Investment Partnerships (HOME) Promissory Note dated [on or about the date hereof], issued by Borrower to the Subordinate Lender.

"Unsubordinated Regulatory Agreement" means, collectively, (i) that certain HOME Investment Partnerships (HOME) Regulatory Agreement by and between Borrower and Subordinate Lender, dated [on or about the date hereof], to be recorded in the Land Records concurrently herewith, and (ii) that

certain [Declaration of Covenants] by and between Borrower and Subordinate Lender, dated [on or about the date hereof], to be recorded in the Land Records concurrently herewith.

2. Permission to Keep Mortgage Lien Against Property.

The Senior Lender agrees, notwithstanding the prohibition against inferior liens on the Property contained in the First Mortgage Loan Documents or the Permanent Loan Documents and subject to the provisions of this Agreement, to permit the Subordinate Lender to keep the Subordinate Mortgage and other recordable Subordinate Loan Documents as encumbrances against the Property (which are subordinate in all respects to the lien of the First Mortgage and the Permanent Loan) to secure the Borrower's obligation to repay the Subordinate Note and all other obligations, indebtedness and liabilities of the Borrower to the 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 3 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 3 is not true and correct on both of those dates, the provisions of the First Mortgage Loan Documents and the Permanent Loan Documents applicable to unpermitted liens on the Property shall apply.

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

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

(a) Confirmations Regarding Subordinate Loan, Subordinate Loan Documents, and the Unsubordinated Regulatory Agreement.

(1) Subordinate Lender is the owner and holder of the Subordinate Loan Documents and the Unsubordinated Regulatory Agreement;

(2) None of the Subordinate Loan Documents or the Unsubordinated Regulatory Agreement has been extended, renewed, amended, transferred, or otherwise modified except as set forth herein;

(3) This Subordination Agreement has been duly authorized by Subordinate Lender, the persons executing, acknowledging, and delivering this Subordination Agreement on behalf of Subordinate Lender are fully authorized to do so, and all of the terms and provisions of this Subordination Agreement are fully enforceable against Subordinate Lender and its successors and assigns;

(4) All payments, installments, and charges due and payable under the Subordinate Note to date have been paid and the total indebtedness evidenced by the Subordinate Note as of the date hereof is \$2,000,000;

(5) The indebtedness evidenced by the Subordinate Note is the only indebtedness secured by the Subordinate Mortgage;

(6) To the knowledge of Subordinate Lender, there exists no default or event of default of any nature under the terms and provisions of the Subordinate Loan Documents or the Unsubordinated Regulatory Agreement, and no condition which, with the giving of notice and/or the passage of time, would result in such an event of default;

(7) Subordinate Lender acknowledges and understands that Senior Lender will rely upon the certifications, warranties, representations, covenants, and agreements

contained herein as a material consideration and inducement in making, extending or modifying the First Mortgage Loan.

(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 term of the First Mortgage Note.

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

(e) **Senior Loan Documents.** The executed Senior Loan Documents are substantially in the same forms as, when applicable, those submitted to, and approved by, Senior Lender prior to the date of this Agreement. 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.

4. Terms of Subordination.

(a) **Agreement to Subordinate.** The Senior Lender and the Subordinate Lender agree that: (i) 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 First Mortgage Loan Documents, and (ii) the Subordinate Mortgage and the other Subordinate Loan Documents (for avoidance of doubt, excluding the Unsubordinated Regulatory Agreement) are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage and the other First Mortgage Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the First Mortgage and the other First Mortgage Loan Documents (including but not limited to, all sums advanced for the purposes of (1) protecting or further securing the lien of the First Mortgage, curing defaults by the Borrower under the First Mortgage Loan Documents or for any other purpose expressly permitted by the First Mortgage, or (2) constructing, renovating, repairing, furnishing, fixturing or equipping the Property).

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

(c) **Payments Before First Mortgage Loan Default.** Until the Subordinate Lender receives a Default Notice of a First Mortgage Loan Default from the Senior Lender, the Subordinate Lender shall be entitled to retain for its own account all payments made under or pursuant to the Subordinate Loan Documents or the Unsubordinated Regulatory Agreement, including annual payments of principal and interest.

(d) **Payments After First Mortgage Loan Default.** The Borrower agrees that, after it receives notice (or otherwise acquires knowledge) of a First Mortgage Loan Default, it will not make any payments under or pursuant to the Subordinate Loan Documents or the Unsubordinated

Regulatory Agreement (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage) without the Senior Lender's prior written consent (not to be unreasonably withheld). The Subordinate Lender agrees that, after it receives a Default Notice from the Senior Lender with written instructions directing the Subordinate Lender not to accept payments from the Borrower on account of the Subordinate Loan, it will not accept any payments under or pursuant to the Subordinate Loan Documents or the Unsubordinated Regulatory Agreement (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, or any other sums secured by the Subordinate Mortgage) without the Senior Lender's prior written consent (not to be unreasonably withheld). If the Subordinate Lender receives written notice from the Senior Lender that the First Mortgage Loan Default which gave rise to the Subordinate Lender's obligation not to accept payments has been cured, waived, or otherwise suspended by the Senior Lender, the restrictions on payment to the Subordinate Lender in this Section 4 shall terminate, and the Senior Lender shall have no right to any subsequent payments made to the Subordinate Lender by the Borrower prior to the Subordinate Lender's receipt of a new Default Notice from the Senior Lender in accordance with the provisions of this Section 4(d).

(e) Remitting Subordinate Loan Payments to Senior Lender. If, after the Subordinate Lender receives a Default Notice from the Senior Lender in accordance with subsection (d) above, the Subordinate Lender receives any payments under the Subordinate Loan Documents or the Unsubordinated Regulatory Agreement, the Subordinate Lender agrees that such payment or other distribution will be received and held in trust for the Senior Lender and unless the Senior Lender otherwise notifies the Subordinate Lender in writing, will be promptly remitted, in kind to the Senior Lender, properly endorsed to the Senior Lender, to be applied to the principal of, interest on and other amounts due under the First Mortgage Loan Documents in accordance with the provisions of the First Mortgage Loan Documents. By executing this Agreement, the Borrower specifically authorizes the Subordinate Lender to endorse and remit any such payments to the Senior Lender, and specifically waives any and all rights to have such payments returned to the Borrower or credited against the Subordinate Loan. Borrower and Senior Lender acknowledge and agree that payments received by the Subordinate Lender, and remitted to the Senior Lender under this Section 4, shall not be applied or otherwise credited against the Subordinate Loan, nor shall the tender of such payment to the Senior Lender waive any Subordinate Loan Default which may arise from the inability of the Subordinate Lender to retain such payment or apply such payment to the Subordinate Loan.

(f) Agreement Not to Commence Bankruptcy Proceeding. The 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 with respect to the Borrower, without the Senior Lender's prior written consent.

5. Default Under Subordinate Loan Documents or the Unsubordinated Regulatory Agreement.

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

(b) **Subordinate Lender's Agreement to Standstill.** If a Subordinate Loan Default occurs and is continuing, the Subordinate Lender agrees that, without the Senior Lender's prior written consent (not to be unreasonably withheld), it will not accelerate the Subordinate Loan, commence foreclosure proceedings with respect to the Property, collect rents, appoint (or seek the appointment of) a receiver or institute any other collection or enforcement action. Notwithstanding the foregoing, Subordinate Lender shall be entitled to seek specific performance to enforce covenants and agreements of Borrower relating to income, rent or affordability restrictions contained in the Unsubordinated Regulatory Agreement.

(c) **Cross Default.** The Borrower and the Subordinate Lender agree that a Subordinate Loan Default shall constitute a First Mortgage Loan Default under the First Mortgage Loan Documents and the Senior Lender shall have the right to exercise all rights or remedies under the First Mortgage Loan Documents in the same manner as in the case of any other First Mortgage Loan Default. If the Subordinate Lender notifies the Senior Lender in writing that any Subordinate Loan Default of which the Senior Lender has received a Default Notice has been cured or waived, as determined by the Subordinate Lender in its sole discretion, then provided that Senior Lender has not conducted a sale of the Property pursuant to its rights under the First Mortgage Loan Documents, any First Mortgage Loan Default under the First Mortgage Loan Documents arising solely from such Subordinate Loan Default shall be deemed cured, and the First Mortgage Loan shall be reinstated, provided, however, that the Senior Lender shall not be required to return or otherwise credit for the benefit of the Borrower any default rate interest or other default related charges or payments received by the Senior Lender during such First Mortgage Loan Default.

6. Default Under First Mortgage Loan Documents.

(a) **Notice of Default and Cure Rights.** The Senior Lender shall deliver to the Subordinate Lender a Default Notice within five Business Days in each case where the Senior Lender has given a Default Notice to the Borrower. Failure of the Senior Lender to send a Default Notice to the Subordinate Lender shall not prevent the exercise of the Senior Lender's rights and remedies under the First Mortgage Loan Documents, subject to the provisions of this Agreement. The Subordinate Lender shall have the right, but not the obligation, to cure any such First Mortgage Loan Default as provided below. Subordinate Lender may have up to 30 days from the date of the Default Notice to cure any monetary default under the First Mortgage 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 Property. Subordinate Lender may have up to 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 First Mortgage Loan Documents. In the event that such a non-monetary default creates an unacceptable level of risk relative to the Property, or Senior Lender's secured position relative to the 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 Property and the rents, revenues and other proceeds from the Property. All amounts paid by the Subordinate Lender to the Senior Lender to cure a First Mortgage 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. The Subordinate Lender agrees that, notwithstanding any contrary provision contained in the Subordinate Loan Documents or the Unsubordinated Regulatory Agreement, a First Mortgage Loan Default shall not constitute a default under the Subordinate Loan Documents or the Unsubordinated Regulatory Agreement if no other default occurred under the Subordinate Loan Documents or the Unsubordinated Regulatory Agreement until either (i) the Senior Lender has accelerated the maturity of the First Mortgage Loan, or (ii) the Senior Lender has taken affirmative action to exercise its rights under the First Mortgage 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 First Mortgage. At any time after a First Mortgage Loan Default is determined to constitute a default under the Subordinate Loan Documents or the Unsubordinated Regulatory Agreement, the Subordinate Lender shall be permitted to pursue its remedies for default under the Subordinate Loan Documents and the Unsubordinated Regulatory Agreement, subject to the restrictions and limitations of this Agreement. If at any time the Borrower cures any First Mortgage Loan Default to the satisfaction of the Senior Lender, as evidenced by written notice from the Senior lender to the Subordinate Lender, any default under the Subordinate Loan Documents or the Unsubordinated Regulatory Agreement arising from such First Mortgage Loan Default shall be deemed cured and the Subordinate Loan shall be retroactively reinstated as if such First Mortgage Loan Default had never occurred.

7. Conflict.

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

8. Rights and Obligations of the Subordinate Lender Under the Subordinate Loan Documents and the Unsubordinated Regulatory Agreement and of the Senior Lender under the First Mortgage 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 and the Unsubordinated Regulatory Agreement covering the same subject matter:

(a) Protection of Security Interest. The Subordinate Lender shall not, without the prior written consent of the Senior Lender (not to be unreasonably withheld) in each instance, take any action which has the effect of increasing the indebtedness outstanding under, or secured by, the Subordinate Loan Documents or the Unsubordinated Regulatory Agreement, except that the Subordinate Lender shall have the right to advance funds to cure First Mortgage Loan Defaults

pursuant to Section 6(a) above and advance funds pursuant to the Subordinate Mortgage for the purpose of paying real estate taxes and insurance premiums, making necessary repairs to the Property and curing other defaults by the Borrower under the Subordinate Loan Documents or the Unsubordinated Regulatory Agreement.

(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 Property (collectively, a "Taking"); or the occurrence of a fire or other casualty resulting in damage to all or a portion of the Property (collectively, a "Casualty"), at any time or times when the First Mortgage remains a lien on the Property the following provisions shall apply:

(1) The Subordinate Lender hereby agrees that its rights (under the Subordinate Loan Documents, the Unsubordinated Regulatory Agreement, 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 subordinate in all respects to the Senior Lender's rights under the First Mortgage Loan Documents with respect thereto, and the Subordinate Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by the Senior Lender; provided, however, this subsection and/or anything contained in this Agreement shall not limit the rights of the 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 First Mortgage Loan) in the manner determined by the Senior Lender in its sole discretion; provided, however, that if the Senior Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the First Mortgage Loan, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the First Mortgage Loan shall be paid to, and may be applied by, the Subordinate Lender in accordance with the applicable provisions of the Subordinate Loan Documents and the Unsubordinated Regulatory Agreement, provided however, the Senior Lender agrees to consult with the Subordinate Lender in determining the application of Casualty proceeds, provided further however that in the event of any disagreement between the Senior Lender and the Subordinate Lender over the application of Casualty proceeds, the decision of the Senior Lender, in its sole discretion, shall prevail.

(c) **No Modification of Subordinate Loan Documents or the Unsubordinated Regulatory Agreement.** The Borrower and the Subordinate Lender each agrees that, until the principal of, interest on and all other amounts payable under the First Mortgage Loan Documents have been paid in full, it will not, without the prior written consent of the Senior Lender (not to be unreasonably withheld) 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 the Senior Lender under the First Mortgage Loan Documents. Any unauthorized amendment of the Subordinate Loan Documents or the Unsubordinated Regulatory Agreement, or assignment of the Subordinate Lender's interest in the Subordinate Loan without the 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, the Subordinate Loan Documents, or the Unsubordinated Regulatory Agreement without the prior written consent of the Senior Lender (not to be unreasonably withheld).

9. Conversion, Modification or Refinancing of First Mortgage Loan.

The Subordinate Lender consents to any agreement or arrangement in which the Senior Lender waives, postpones, extends, reduces or modifies any provisions of the First Mortgage Loan Documents, including any provision requiring the payment of money. Subordinate Lender further agrees that its agreement to subordinate hereunder shall extend to the Permanent Loan Documents, as well as to any new mortgage debt which is for the purpose of refinancing all or any part of the First Mortgage 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. Following Conversion, all the terms and covenants of this Agreement shall inure to the benefit of any holder of the Permanent Loan; and all references to the First Mortgage Loan and the First Mortgage Loan Documents shall mean, respectively, the Permanent Loan and the Permanent Loan Documents.

10. Default by the Subordinate Lender or Senior Lender.

If the 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.

11. 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.
2000 Clayton Road, Building D, 6th Floor
Mail Code: CA4-704-06-06
Concord, CA 94520
Attention: Loan Administration Manager

With a copy to: Buchalter, a Professional Corporation
1000 Wilshire Blvd., Suite 1500
Los Angeles, CA 90017
Attn: Michael Williamson, Esq.
Re: B0965-0592 (Oasis Senior)

SUBORDINATE LENDER: City of Riverside
3900 Main Street
Riverside, California 92522
Attention: City Manager

With a copy to: City of Riverside
3900 Main Street
Riverside, California 92522
Attention: City Attorney

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.

12. General.

(a) Assignment/Successors. This Agreement shall be binding upon the Borrower, the Senior Lender and the Subordinate Lender and shall inure to the benefit of the respective legal successors and assigns of the Senior Lender and the Subordinate Lender. California Municipal Finance Authority is an intended third party beneficiary of the provisions of this Agreement with respect to its interests in the Regulatory Agreement.

(b) No Partnership or Joint Venture. The Senior Lender's permission for the placement of the Subordinate Loan Documents and the Unsubordinated Regulatory Agreement does not constitute the Senior Lender as a joint venturer or partner of the 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 the Senior Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by the Senior Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement. Wherever the Subordinate Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by the Subordinate Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement.

(d) Further Assurances. The Subordinate Lender, the Senior Lender and the Borrower each agree, at the 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 First Mortgage, 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 State in which the Property is located.

(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: (i) the payment of all of the principal of, interest on and other amounts payable under the First Mortgage Loan Documents, and, solely with respect to the second sentence of section 12(a), the termination of the Regulatory Agreement in accordance with its terms; (ii) the payment of all of the principal of, interest on and other amounts payable under the Subordinate Loan Documents and the Unsubordinated Regulatory Agreement, other than by reason of payments which the Subordinate Lender is obligated to remit to the Senior Lender pursuant to Section 4 hereof; (iii) the acquisition by the Senior Lender of title to the Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the First Mortgage; or (iv) the acquisition by the Subordinate Lender of title to the 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 Mortgage, 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 and the same instrument.

[Signature Pages Immediately Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

SENIOR LENDER:

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

By: _____
Name: Andrea Ursillo
Title: Senior Vice President

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

STATE OF CALIFORNIA)
) SS.
COUNTY OF _____)

On _____, before me, _____
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____,
Name of Signer(s)

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)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

SUBORDINATE LENDER:

CITY OF RIVERSIDE,
a California charter city and municipal corporation

By: _____
Name: _____
Title: City Manager

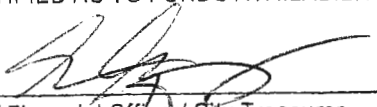
ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By:  _____
Deputy City Attorney

CERTIFIED AS TO FUNDS AVAILABILITY:

BY:  _____
Chief Financial Officer/ City Treasurer

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 _____, before me, _____
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")

personally appeared _____,
Name of Signer(s)

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)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

BORROWER:

RIVERSIDE SUPPORTIVE HOUSING, L.P.,
a California limited partnership

By: Supportive Housing LLC,
a California limited liability company,
its general partner

By: A Community of Friends,
a California nonprofit public benefit corporation,
its sole member/manager

By: *Ayde Gonzalez*
Name: Ayde Gonzalez
Title: Chief Operating Officer

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 Los Angeles)

On 9/14/21, before me, Dinde R. Patrick, Notary Public
Date Name And Title Of Officer (e.g. "Jane Doe, Notary Public")
personally appeared Ayde Gonzalez
Name of Signer(s)

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.

Dinde R. Patrick
Signature (Seal)

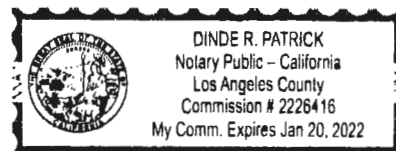


EXHIBIT "A"
LEGAL DESCRIPTION

Project: Oasis Senior Villas
APN: 221-132-020
Address: 2340 14th Street

That certain real property located in the City of Riverside, County of Riverside, State of California, described as follows:

That portion of Lot 19 of Castleman's Addition to Riverside, as shown by map on file in Book 3, Page 19 of Maps, Records of San Bernardino County, California, lying Northeasterly of that portion of said Lot 19 Condemned by the City of Riverside, a Certified Copy of Lot Condemnation being recorded November 30, 1942, in Book 559, Page 497, et seq. of Official Records of Riverside County, California.

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

Curtis C. Stephens 5/4/21 Prep. (Signature)
Curtis C. Stephens, L.S. 7519 Date

