

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
Andrew J. Rogers, Esq.
Krooth & Altman LLP
1850 M Street, N.W., Suite 400
Washington, D.C. 20036

SUBORDINATION AGREEMENT
GOVERNMENTAL ENTITY

**SUBORDINATION AGREEMENT GOVERNMENTAL ENTITY FOR REGULATORY
AGREEMENT
REGULATORY AGREEMENT ONLY/NO SUBORDINATE DEBT**

THIS SUBORDINATION AGREEMENT FOR REGULATORY AGREEMENT (this “**Agreement**”) is effective as of the ___ day of _____, 2021, by **THE CITY OF CORONA HOUSING AUTHORITY**, a public a public body, corporate and politic (as the successor in interest to the Redevelopment Agency of the City of Corona) (“**Governmental Entity**”), and **AVANATH RIVER RUN, LP**, a limited partnership organized and existing under the laws of Delaware (“**Borrower**”), for the benefit of **GREYSTONE SERVICING COMPANY LLC**, a limited liability company, organized and existing under the laws of Delaware, its successors and assigns (“**Lender**”).

RECITALS:

A. Simultaneously herewith Lender is making a loan to Borrower in the original principal amount of \$_____ (“**Loan**”) pursuant to a Multifamily Loan and Security Agreement between Lender and Borrower (as supplemented or amended from time to time, the “**Loan Agreement**”) and evidenced by a Multifamily Note by Borrower to Lender (as supplemented or amended from time to time, the “**Note**”). The Loan is to be secured by a Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing that will be recorded among the records of Riverside County, California (“**Official Records**”) (as supplemented or amended from time to time, the “**Mortgage**”) of certain improved real property located in Corona, Riverside County, California, as more particularly described on Exhibit A attached hereto (“**Property**”). The Loan Agreement, the Note and the Mortgage, together with all other documents executed with respect to the Loan, are hereinafter collectively referred to as the “**Loan Documents**”.

B. In connection with the construction and development of the Property, Borrower’s predecessor in interest, Steadfast River Run, L.P., a California limited partnership, Steadfast River Run Corporation, a California corporation and Governmental Entity entered into a certain Amended and Restated Affordable Housing Agreement dated as of February 1, 2003 (“**Regulatory Agreement**”), a memorandum of which was recorded on February 26, 2003 as Document No. 2003-133242 of the Official Records, pursuant to which the Property was subjected to certain restrictions by Governmental Entity.

C. As a condition to making the Loan, Lender requires that the lien of the Mortgage be superior to the lien of the Regulatory Agreement. Lender will not make the Loan unless Governmental Entity and Borrower agree to subordinate their rights and obligations under the Regulatory Agreement.

E. Borrower and Governmental Entity hereby agree to subordinate the Regulatory Agreement on and subject to the terms, conditions and requirements set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Recitals. The foregoing Recitals are hereby incorporated into this Agreement as agreements among the parties.

2. Subordination. The Governmental Entity hereby agrees that the Regulatory Agreement is and shall at all times continue to be, subordinate, subject and inferior to the rights of Lender under the Loan Documents and that the liens, rights (including approval and consent rights), remedies, payment interests, priority interests, and security interests granted to Governmental Entity pursuant to or in connection with the Regulatory Agreement are hereby expressly acknowledged to be in all respects and at all times, subject, subordinate and inferior in all respects to the liens, rights (including approval and consent rights), remedies, payment, priority and security interests granted to Lender pursuant to the Loan Documents and the terms, covenants, conditions, operations and effects thereof. Notwithstanding the above, Governmental Entity may exercise the remedies of specific performance or injunctive relief at any time in the event of a default under or breach of the terms of the Regulatory Agreement.

3. Financing, Encumbrance and Transfer Approval. Governmental Entity hereby approves and acknowledges the transfer of the Property to Borrower and the financing evidenced by the Mortgage. Governmental Entity further agrees that any transfer of the Property in connection with foreclosure of the Mortgage or a deed in lieu thereof shall not require Governmental Entity's consent but shall require notice to Governmental Entity.

4. Satisfaction of Prior Indebtedness. Governmental Entity acknowledges and agrees that the Governmental Entity's financing associated with and defined in the Regulatory Agreement, owed by Borrower's predecessor in interest to Governmental Entity has been paid and satisfied. Borrower's acquisition of the Property subject to the Regulatory Agreement does not in any way constitute an assumption of the "Loan".

5. Lender Notice of Default. In consideration of Governmental Entity's agreements contained in this Agreement, Lender agrees that in the event of any default by Borrower under the Loan Documents, Governmental Entity shall be entitled to receive a copy of any notice of default given by Lender to Borrower under the Loan Documents. Neither the giving nor the failure to give a notice to Governmental Entity pursuant to this Section 5 will affect the validity of any notice given by Lender to the Borrower.

6. Governmental Entity Notice of Default. Governmental Entity shall give Lender a concurrent copy of each material notice (including without limitation each notice of default) given by Governmental Entity under or with respect to the Regulatory Agreement, and agrees that Lender, at Lender's sole election, shall have the right (but not the obligation) to cure any default by Borrower under the Regulatory Agreement on its and/or Borrower's behalf. Governmental Entity hereby represents that, to the best of its knowledge, there is no current default under the Regulatory Agreement.

7. Governmental Entity's Rights. Except as set forth in Sections [2 and 8] of this Agreement, nothing in this Agreement is intended to abridge or adversely affect any right or obligation of Borrower and/or Governmental Entity, respectively, under the Regulatory Agreement; provided that, (A) the Regulatory Agreement may be released but it may not be modified, amended, changed or otherwise altered without the prior written consent of Lender so long as the Loan is secured by the Property and (B) for so long as the Loan is secured by the Property, notwithstanding the terms of the Regulatory Agreement to the contrary, neither Borrower nor Governmental Entity will, without Lender's prior written consent, exercise or seek any right or remedy under the Regulatory Agreement or available at law or in equity which will or could result in (i) a transfer of possession of the Property or the control, operations or management thereof, (ii) the collection or possession of rents or revenues from or with respect to the Property by any party other than Borrower or Lender; (iii) appointment of a receiver for the Property; (iv) the application of insurance or condemnation proceeds other than as approved by Lender pursuant to the Loan Documents; (v) the removal or replacement of the existing property manager of the Property; or (vi) a material adverse effect on Lender's security for the Loan.

8. Foreclosure by Lender. In the event of foreclosure, deed in lieu of foreclosure, or similar disposition of the Property by Lender, no consent shall be required from Governmental Entity.

9. Entire Agreement. This Agreement represents the entire understanding and agreement between the parties hereto with regard to the subordination of the Regulatory Agreement to the lien or charge of the Loan Documents, and shall supersede and cancel any prior agreements with regard to this subject matter.

10. Binding Provisions. The covenants and agreements contained in this Agreement shall be binding upon the heirs, personal representatives, successors and assigns of the respective parties to this Agreement.

11. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

12. Modifications. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto or their respective successors in interest.

13. Notices. All notices required or permitted hereunder shall be deemed to have been received either (i) when delivered by hand and the party giving such notice has received a signed receipt thereof, or (ii) three (3) days following the date deposited in the United States mail, postage prepaid, by registered or certified mail, return receipt requested, addressed as follows (or addressed in such other manner as the party being notified shall have requested by written notice to the other party):

If to Governmental Entity:

The City of Corona Housing Authority
400 South Vicentia Avenue
Corona, CA 92882
Attention: Executive Director

If to Lender:

Greystone Servicing Company LLC
419 Belle Air Lane
Warrenton, Virginia 20186
Attention: Fannie Mae Asset Management

With a copy to:

Krooth & Altman LLP
1850 M Street NW, Suite 400
Washington, DC 20036
Attention: Andrew J. Rogers

If to Borrower:

Avanant River Run, LP
1920 Main Street, Suite 150
Irvine, California 92614
Attention: Wesley Wilson, Chief Operating Officer

With a copy to:

Manatt, Phelps & Phillips, LLP
695 Town Center Drive, 14th Floor
Costa Mesa, California 92626
Attention: Grace Winters

14. Further Instruments. Each of the parties hereto will, whenever and as often as they shall be requested to do so by the other, execute, acknowledge and deliver, or cause to be executed, acknowledged or delivered, any and all such further instruments and documents as may be reasonably necessary to carry out the intent and purpose of this Agreement, and to do any and all further acts reasonably necessary to carry out the intent and purpose of this Agreement.

15. Valid Authorization. Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf

of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder.

16. Counterparts. This Agreement may be executed in counterparts each of which shall be deemed an original and all of which when taken together constitute one and the same instrument, binding on all of the parties. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN THE REGULATORY AGREEMENT BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF THE MORTGAGE.

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

GOVERNMENTAL ENTITY

THE CITY OF CORONA HOUSING AUTHORITY
a public body corporate and politic

By: _____
Jacob Ellis
Executive Director

Attest:

Sylvia Edwards
Authority Secretary

Approved as to Form:

Dean Derleth
Authority Legal Counsel

[ACKNOWLEDGMENT APPEARS ON THE FOLLOWING PAGE]

BORROWER:

AVANATH RIVER RUN, LP

a Delaware limited partnership

By: AVANATH RIVER ROAD GP, LLC
a Delaware limited liability company
Administrative General Partner

By: AVANATH AH IV HOLDCO, INC.
a Delaware corporation
Managing Member

By: _____ (SEAL)
Wesley Wilson
Chief Financial Officer

By: AHA INLAND III MGP, LLC
a California limited liability company
Managing General Partner

By: AFFORDABLE HOUSING ACCESS, INC.
a California nonprofit public benefit corporation
Sole Member and Manager

By: _____ (SEAL)
Name: _____
Title: _____

ACKNOWLEDGMENT

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

STATE OF _____)
) SS
 COUNTY OF _____)

On _____, 2021, before me, _____, Notary Public, personally appeared Wesley Wilson, Chief Financial Officer who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____ (SEAL)

ACKNOWLEDGMENT

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

STATE OF _____)
) SS
COUNTY OF _____)

On _____, 2021, before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____ (SEAL)

LENDER:

GREYSTONE SERVICING COMPANY LLC

a Delaware limited liability company

By: _____ (SEAL)
Kristie Reinhardt
Senior Closing Specialist

ACKNOWLEDGMENT

STATE OF MARYLAND

COUNTY OF FREDERICK

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by Kristie Reinhardt, Senior Closing Specialist of GREYSTONE SERVICING COMPANY LLC, a Delaware limited liability company, on behalf of limited liability company.

Notary Public

Printed Name: _____

My Commission Expires: _____

EXHIBIT A
Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOTS 11 AND 14 OF BLOCK 97 OF THE AUBURNDALE COLONY, RECORDED IN MAP [BOOK 6, PAGE 20](#), IN THE OFFICIAL RECORDS OF THE COUNTY OF SAN BERNARDINO, ALSO SHOWN IN RECORD OF SURVEY IN [BOOK 51, PAGE 44](#), RECORDS OF RIVERSIDE COUNTY, AND PARCELS 2152-1A AND 2152-1B AS SHOWN ON RECORD OF SURVEY FILED IN [BOOK 99, PAGE 3](#) THROUGH 8, OF RECORDS OF SURVEY IN THE OFFICE OF THE RECORDER, RIVERSIDE COUNTY, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE MOST SOUTHERLY CORNER OF LOT 11 OF BLOCK 97 OF AUBURNDALE COLONY, RECORDED IN MAP [BOOK 6, PAGE 20](#), IN THE OFFICIAL RECORDS OF THE COUNTY OF SAN BERNARDINO, ALSO SHOWN IN RECORD OF SURVEY IN [BOOK 51, PAGE 44](#), RECORDS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, SAID POINT BEING ON THE NORTHERLY RIGHT OF WAY LINE OF RIVERSIDE ROAD BEING 60.00 FEET IN WIDTH, SAID POINT BEING THE TRUE POINT OF BEGINNING; THENCE NORTH 35° 25' 51" WEST, A DISTANCE OF 599.66 FEET; THENCE NORTH 54° 38' 30" EAST, A DISTANCE OF 624.67 FEET; THENCE SOUTH 35° 33' 42" EAST, A DISTANCE OF 599.62 FEET; THENCE SOUTH 54° 38' 16" WEST, A DISTANCE OF 626.04 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE LEGAL DESCRIPTION IS PURSUANT TO LOT LINE ADJUSTMENT NO. 02-058, RECORDED JANUARY 24, 2003 AS [INSTRUMENT NO. 55515](#), IN THE RECORDS OF SAID COUNTY.

[APN: 119-070-008](#)

[APN: 119-070-014](#)

[APN: 119-070-015](#)