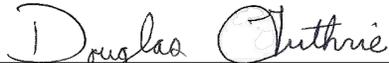


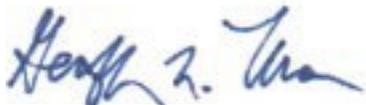
Report of the President & CEO

December 15, 2022

RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR THEIR DESIGNEE, TO ENTER INTO A FIRST AMENDMENT TO GROUND LEASE AGREEMENT, GROUND LESSOR ESTOPPEL CERTIFICATE, SUBORDINATION AGREEMENT AND ANCILLARY DOCUMENTS FOR THE CLOSING OF PERMANENT FINANCING FOR THE DEVELOPMENT OF JORDAN DOWNS AREA H (ALSO KNOWN AS PARK PLACE AT JORDAN DOWNS)



 Douglas Guthrie
 President & Chief Executive Officer



 Geoffrey Moen
 Director of Development

PURPOSE: These actions will allow Jordan Downs Area H (the “Project” or “Park Place”), an 80-unit affordable housing residential development, to convert to permanent financing and begin stabilized operations.

Regarding: On June 28, 2012, HACLA’s Board of Commissioners (“Board”) unanimously authorized the President and CEO to execute a Master Development Agreement (“MDA”) with Jordan Downs Community Partners, LLC, (“Master Developer”), a joint venture of BRIDGE Housing Corporation, a California nonprofit public benefit corporation (“BRIDGE”), and The Michaels Development Company I, L.P., a New Jersey limited partnership (“Michaels”), for the redevelopment of Jordan Downs (Resolution No. 8969). The MDA between HACLA and the Master Developer was executed on August 1, 2012 and was amended by the First Amendment to the MDA (“First Amendment”) dated July 13, 2017 and approved by Resolution No. 9327; further amended by the Second Amendment to MDA (“Second Amendment”) dated October 4, 2017 and approved by Resolution No. 9282; and further amended by the Third Amendment to MDA (“Third Amendment”) dated July 7, 2020 and approved by Resolution No. 9594.

In January 2017, the Board approved the Relocation Plan for Jordan Downs by Resolution 9326 which was updated in 2018 under Resolution 9438 and 2022 under Resolution 9806.

In November 2017, by Resolution 9395, the Board approved a consultant contract with Del Richardson and Associates, who initiated relocation activities with residents of the three public housing buildings on the footprint for the Area H.

On July 24, 2018, by Resolution 9448, the Board approved the commitment of 49 project-based vouchers to the Project in order for the Jordan Downs 2B, LP, a California limited partnership (the “Owner” or “Partnership”), to be competitive for a 9% tax credit application, which was successfully awarded.

On January 24, 2019, by Resolution 9486, the Board approved a contract for demolition services in order to meet HACLA’s obligation to deliver a clean and buildable site to the developer of Area H.

On December 19, 2019, by Resolution 9549, the Board authorized the President and CEO to execute a Disposition and Development Agreement, Ground Lease, Purchase Option and Right of First Refusal, Authority Loan Agreement and other documents and agreements with the Partnership for the financing, development and construction of Area H.

The Project is the first phase of the Jordan Downs redevelopment to be constructed 100% on the Jordan Downs public housing site, pursuant to HACLA's Build First Plan for Jordan Downs.

Issues:

Background

Park Place is an 80-unit affordable residential development with a total of seventy-five (75) replacement units ("Replacement Units") comprised of 30 RAD Section 8 Project Based Voucher ("PBV") units, 45 replacement PBV units, 4 regular PBV units and 1 manager's unit. The Project closed construction financing in December 2019 and began construction in January 2020. A final Certificate of Occupancy was issued on August 4, 2022 and by the end of August 2022 all eighty units were fully leased and occupied. The Authority provided the Project with up to \$1,750,000 in a Construction/Permanent Gap Loan ("Gap Loan") and an Acquisition Loan amounting to \$2,800,000 of the Developer's ground lease payment.

Constructing the Project during the height of the COVID pandemic was not without issue and COVID supply chain challenges added completion delays and increased construction costs. The original closing budget approved for the Project in December 2019 was \$45,537,909, however, the final Approved Development Budget presented at conversion to permanent financing includes an increase in total Project costs by \$1,632,185 for a total Project cost of \$47,170,094 or \$589,626 per unit.

During construction, additional environmental investigation on surrounding sites led HACLA to require the Owner to include a vapor barrier, which was not anticipated in the construction budget. As the general contractor and Owner's contingencies were already being used for other unanticipated cost increases, HACLA agreed to increase its Construction/Permanent Gap Loan by \$166,000 for a total Gap Loan of \$1,916,000. Authority for this amendment to the Gap Loan is delegated to the President and CEO of HACLA in the Gap Loan Agreement and prior Board of Commissioner actions. This Gap Loan increase was approved in writing and the Gap Loan and Promissory Note will be amended and executed at permanent loan conversion in January 2023 along with all other related transaction documents.

***Permanent Loan
Conversion***

The Partnership intends to pay off the construction loan and convert to a permanent loan in January 2023. The initial permanent lender approved by the Board of Commissioners in December 2019 was by Waverly Street Foundation, a California nonprofit public benefit corporation with an approved loan in the amount of \$10,082,000, with a 4% interest rate

and a 17-year term. Due to the significant increases in costs the Owner was required to defer \$1,018,511 in Developer Fee and change the permanent lender to obtain a higher loan amount. As a result, certain permanent loan documents approved prior to construction closing will be replaced by forms required by JLL Real Estate Capital, LLC, a Delaware limited liability company, and Fannie Mae (together, the "Permanent Lender"). Specifically, the Permanent Lender requires a Subordination Agreement and Ground Lessor Estoppel Certificate based on the Fannie Mae template documents for the new loan in the amount of \$10,500,000 carrying an interest rate of 6.06% and a 17-year term.

To comply with Fannie Mae requirements and provide reference to the new permanent loan, HACLA and the Partnership will enter into a First Amendment to Ground Lease Agreement and First Amendment to Memorandum of Ground Lease.

HACLA's Gap Loan required the Owner to make best efforts to apply for and obtain an Affordable Housing Program loan ("AHP Loan") from the Federal Home Loan Bank during construction. Although the Owner applied, they were not successful in receiving a competitive AHP Loan. Additionally, terms of the loan require that any cost savings incurred and accounted for at conversion to permanent financing will be provided as a pay down to the Gap Loan, however, since no cost savings were netted, the Gap Loan will automatically convert at its new amount of \$1,916,000 with a 3% simple interest rate payable out of residual receipts.

Vision Plan: **PLACE Strategy #1: Stabilize the physical and financial viability of the conventional public housing portfolio.**

Development of Park Place has resulted in construction of 80 new housing units, 79 of which are deeply affordable and 75 of which are replacement units for existing public housing residents. This development furthers HACLA's goals of improving its affordable housing stock and increasing its supply of ADA-compliant, modern, sustainably designed, and amenitized units. This action will help HACLA extend the life of critical, deeply affordable housing in the City of Los Angeles to serve existing public housing residents and future income-qualified households from HACLA's active public housing and Section 8 wait lists.

Funding: The Chief Administrative Officer confirms the following:

Source of Funds: No additional funds are required for the purpose of this Board Action. The source for the additional \$166,000 increase to the Gap Loan will come from non-federal unrestricted HACLA funds and was provided under the President/CEO's delegated authority.

Budget and Program Impact: At permanent loan conversion HACLA will not receive any additional fees. On an annual basis the deferred developer fee will be paid as a priority cashflow distribution from operations and HACLA is entitled to a developer equivalent fee of 20% (or \$153,715) which will be paid *pari pasu* based on actual annual payments made. As result of the deferred developer fee absorbing all the cashflow as a priority payment the Ground lease and HACLA Gap Loan will not receive any residual payments for the first 17 years and most likely will be paid off at resydication after Year 15 when the tax credit

compliance period ends. HACLA will continue to receive a \$10,000 annual compliance fee included in the operating costs.

**Environmental
Review:**

CEQA The City of Los Angeles is the lead agency for the Jordan Downs Redevelopment for purposes of the California Environmental Quality Act (CEQA). The City of Los Angeles, acting through its Planning Department, approved a larger project under the Jordan Downs Urban Village Specific Plan (1,800 residential units; up to 250,000 square feet of commercial/retail/office plus up to 20,000 square feet of community-service retail and services in mixed use buildings; a network of parks totaling 8.9 acres; and new community facilities), and its associated Environmental Impact Report (“EIR”) and required findings on April 17, 2013 (ENV-2010-32-EIR). Two addendums to the FEIR were prepared on January 11, 2016 and April 4, 2016 respectively to address additional impacts not considered in the EIR as the result of a proposed Specific Plan Amendment. On April 14, 2016, the City Planning Commission found based on the whole of the administrative record that no subsequent or supplemental EIR or negative declaration was required. The Project as contemplated in the Disposition and Development Agreement and Ground Lease is consistent with the Specific Plan and its Amendment (CPC-2015-3990-GPA-ZC-SP) and will be subject to the imposition of various measures contained in the Specific Plan’s conditions of approval, including Mitigation Monitoring.

No further environmental review is required for the Authority’s recommended actions because based on the project record there has been no change to the Jordan Downs Redevelopment or substantial changes in circumstances or new information that would warrant subsequent environmental analysis in accordance with CEQA, including but not limited to Public Resources Code section 21166 and State CEQA Guidelines sections 15162, 15163 and 15164. The mitigation measures and related conditions of approval applicable to the JD Redevelopment have been reviewed and will be monitored for compliance.

NEPA Pursuant to 24 CFR Part 58, the City of Los Angeles, through its Housing and Community Investment Department serves as the environmentally responsible entity in preparation of the Environmental Assessment and Finding of No Significant Impact (EA/FONSI) for the Jordan Downs Public Housing Community Project. The EA/FONSI was circulated for public review on June 13, 2014 through July 2, 2014. On December 22, 2015 a technical memorandum was prepared to review any changes to the project description. Based on this memorandum HCID/LA found that changes to the project description did not result in changes to the conclusion of the EA/FONSI. On February 11, 2016 the U.S. Department of Housing and Urban Development’s Office of the Field Office Director issued approval of the Housing Authority’s Request for Release of Funds and Environmental Certification.

Attachments:

1. Resolution
2. Ground Lessor Estoppel Certificate (DRAFT)
3. Subordination Agreement (DRAFT)
4. First Amendment to Ground Lease (DRAFT)

ATTACHMENT 1

RESOLUTION

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE PRESIDENT AND CEO, OR THEIR DESIGNEE, TO ENTER INTO A FIRST AMENDMENT TO GROUND LEASE AGREEMENT, GROUND LESSOR ESTOPPEL CERTIFICATE, SUBORDINATION AGREEMENT AND ANCILLARY DOCUMENTS FOR THE CLOSING OF PERMANENT FINANCING FOR THE DEVELOPMENT OF JORDAN DOWNS AREA H (ALSO KNOWN AS PARK PLACE AT JORDAN DOWNS)

WHEREAS, the Housing Authority of the City of Los Angeles (“HACLA”) intends to transform the Jordan Downs public housing community into a mixed-income, mixed-use, environmentally friendly, vibrant urban village, conducive to healthy living and economically progressive conditions;

WHEREAS, on June 28, 2012, by Resolution 8969, HACLA’s Board of Commissioners (the “BOC”) unanimously authorized the President and CEO to execute a Master Development Agreement (“MDA”) with Jordan Downs Community Partners, LLC (the “Master Developer”) for the redevelopment of Jordan Downs following which the MDA between HACLA and the Master Developer was executed on August 1, 2012 and subsequently amended;

WHEREAS, HACLA and the Master Developer have worked to implement the MDA’s vision of a redeveloped Jordan Downs, including development of the Area H Residential Project (the “Project” or “Park Place”) by Jordan Downs 2B, LP (“Owner”);

WHEREAS, the Project is comprised of eighty (80) units in an affordable residential development, including thirty (30) Rental Assistance Demonstration (RAD) units and forty nine (49) regular Project Based Voucher (PBV) units, of which seventy-five (75) units will be replacement units for public housing units at Jordan Downs (“Replacement Units”);

WHEREAS, on December 19, 2019, by Resolution 9549, the BOC unanimously authorized the President and CEO to execute a Disposition and Development Agreement, a Ground Lease, various HACLA loan documents, a Right of First Refusal and Purchase Option Agreement and other ancillary documents for the Project;

WHEREAS, the Owner has completed construction of the Project and desires to convert to permanent financing, substituting the permanent lender approved at construction closing with JLL Real Estate Capital, LLC and increasing the permanent loan amount to \$10,500,000; and

WHEREAS, forms of the following major transaction documents (“Transaction Documents”) have been presented at this meeting:

1. Ground Lessor Estoppel Certificate
2. Subordination Agreement
3. First Amendment to Ground Lease Agreement

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Los Angeles does hereby authorize and approve as follows:

The form and content of the Ground Lessor Estoppel Certificate, Subordination Agreement and First Amendment to Ground Lease Agreement are hereby approved. The President and Chief Executive Officer, and his Designated Officers, are hereby authorized and directed, for and on behalf of HACLA, to execute and attest these Transaction Documents and any other documents, agreements and certificates necessary to accomplish the transaction contemplated by this Resolution, with such changes therein as approved with the advice of legal counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

BE IT FURTHER RESOLVED that the “Designated Officers” of HACLA referred to herein are as follows:

Name	Title
Douglas Guthrie	President and Chief Executive Officer
Marlene Garza	Chief Administrative Officer
Jenny Scanlin	Chief Strategic Development Officer
Margarita Lares	Chief Programs Officer

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

PASSED AND ADOPTED by the Housing Authority of the City of Los Angeles this 15th day of December 2022.

APPROVED AS TO FORM:

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

BY: _____
GENERAL COUNSEL JAMES JOHNSON

BY: _____
CHAIRPERSON CIELO CASTRO

DATE ADOPTED: _____

ATTACHMENT 2

Ground Lessor Estoppel Certificate (DRAFT)

GROUND LESSOR ESTOPPEL CERTIFICATE

December 2022

PROPERTY NAME: **Park Place Apartments (Jordan Downs Area H)**

PROPERTY ADDRESS: **2062 E 99th Place**
(include county) **Los Angeles, CA 90002**
(the “Mortgaged Property”)

LEASE DATE: **January 1, 2022**

GROUND LESSOR: **Housing Authority of the City of Los Angeles**
(“Ground Lessor”)

GROUND LESSEE: **Jordan Downs 2B, LP**
(“Ground Lessee”)

Ground Lessor acknowledges that (a) JLL Real estate Capital LLC, a Delaware limited liability company (together with its successors and assigns, “**Lender**”), has agreed, subject to the satisfaction of certain terms and conditions, to make a loan (the “**Mortgage Loan**”) to Ground Lessee, which Mortgage Loan is or will be secured by a lien on Ground Lessee’s leasehold interest in the Mortgaged Property (the “**Premises**”), and (b) Lender is requiring this Ground Lessor Estoppel Certificate (this “**Estoppel**”) as a condition to its making the Mortgage Loan. Accordingly, as of the date first stated above, Ground Lessor hereby certifies, confirms, covenants and agrees to Lender and its transferees, successors and assigns, as follows:

1. A true, complete and correct copy of the Ground Lease Agreement between Ground Lessor and Ground Lessee with respect to the Premises, together with any other amendment, supplement or agreement related thereto, is attached hereto as Schedule I (collectively, the “**Lease**”). Other than as attached on Schedule I, the Lease has not been modified, changed, altered, assigned, supplemented or amended in any respect. The Lease represents the entire agreement between Ground Lessor and Ground Lessee with respect to the Premises.

2. Ground Lessor hereby consents to the Mortgage Loan secured by a lien as to the leasehold estate created by the Lease, and to the encumbrance of a security lien against Ground Lessee’s leasehold estate as security for repayment of the Mortgage Loan, it being expressly understood and agreed that Lender intends to assign the Loan to Fannie Mae, and that Fannie Mae, its successors and assigns, may specifically rely on the provisions of this Estoppel Certificate.

3. The Lease provides for an original term of seventy-five (75) years, commencing on January 1, 2020 and expiring on December 31, 2095.

4. The Lease makes the following provision for renewal or extension of its term beyond the original term: (initial one)

the Lease does not contain an option(s) or other right to renew or extend for any additional term or terms.

the Lease contains an option for _____ additional term(s) of _____ years each.

5. The rent currently payable by Ground Lessee to Ground Lessor under the Lease is an amount equal to the interest and principal payments due from Ground Lessee to Ground Lessor under that certain Authority Acquisition Note in the original principal balance of (\$2,800,000.00). All rent and other charges due and currently payable by Ground Lessee under the Lease through the date hereof have been fully paid by Ground Lessee.

6. The Lease is valid and in full force and effect, and there is no existing default or unfulfilled obligation on the part of Ground Lessee in any of the terms and conditions of the Lease, and no event has occurred or condition exists which, with the passing of time or giving of notice or both, would constitute an event of default under the Lease.

7. Ground Lessor has no right to terminate the Lease other than as set forth in Article 13 of the Lease.

8. Ground Lessee has no option or right of first refusal to purchase the Premises or any part thereof.

9. Ground Lessee owns all improvements located on the Premises.

10. Ground Lessor agrees that it shall not accept a voluntary surrender or termination of the Lease for so long as the Premises are subject to the Mortgage Loan.

11. Ground Lessor shall not amend or modify the Lease without the prior written consent of Lender. Ground Lessor shall not terminate or cancel the Lease without providing Lender prior written notice and any applicable cure rights as set forth in Article 9 of the Lease.

12. Ground Lessor agrees that if Ground Lessor or Ground Lessee initiates any appraisal, arbitration, litigation or other dispute resolution proceeding affecting the Lease, then Ground Lessor and Ground Lessee shall simultaneously notify Lender, and Lender will have the right to participate in such proceeding on Ground Lessee's behalf, or exercise any or all of Ground Lessee's rights in such proceeding, in each case (at Lender's option) to the exclusion of Ground Lessee.

13. There are no mortgages encumbering Ground Lessor's fee estate in the Mortgaged Property and Ground Lessor acknowledges and agrees that it will not mortgage or otherwise encumber its fee estate in the future.

14. Ground Lessor has not assigned, mortgaged, conveyed, transferred, encumbered, hypothecated or granted to any party any interest in the Lease or the Premises (other than recorded easements, rights of way, use restrictions, regulatory agreements, CC&Rs or similar recorded encumbrances of record as of the date hereof) other than to Ground Lessee, or granted to any party any right or option to purchase the Premises or any interest of Ground Lessor in the Lease other than options granted to Ground Lessee under the Lease. Ground Lessor has not subordinated its interest in the Lease to any mortgage lien or other encumbrance on the fee.

15. Ground Lessor consents to the right of Lender to foreclose on the Mortgage Loan and sell or take title to or possession of the leasehold estate of Ground Lessee in its own name or in the name of an assignee or nominee without Ground Lessor's prior consent. In the event of any such foreclosure or any other exercise by Lender of rights and remedies (whether under the Mortgage Loan or under applicable law), as a result of which Lender (or its designee or nominee) or a third party purchaser becomes owner of the leasehold estate, or delivery of a deed or other conveyance of Ground Lessee's interest in lieu of any of the foregoing, Ground Lessor agrees that Lender (or its designee or nominee) or a third party purchaser at a foreclosure sale or a transferee that receives a deed in lieu of foreclosure shall only be liable for acts or omissions taking place during the period in which Lender (or its designee or nominee) or such third party purchaser at a foreclosure sale or transferee that receives a deed in lieu of foreclosure had record title to the leasehold estate, and Ground Lessor will provide for an automatic release of Lender (or its designee or nominee) or any third party purchaser at a foreclosure sale or transferee that receives a deed in lieu of foreclosure.

16. Upon receipt of notice from the Ground Lessor of a default by Ground Lessee under the Lease, Lender may, but shall not be obligated to, cure any default of Ground Lessee within the time frame set forth in the Lease afforded to cure such default, and the lapse of thirty (30) days after the expiration of such time frame to cure such default; provided, however, that with respect to any default of Ground Lessee under the Lease which cannot be remedied within such time frame, if Lender commences to cure such default within such time and thereafter diligently proceeds with such efforts and pursues the same to completion, Lender shall have such time as is reasonably necessary to complete curing such default. Notwithstanding the foregoing, with respect to any default of Ground Lessee under the Lease that cannot be remedied without Lender obtaining possession of the Premises, any cure period afforded to Borrower in the Lease shall not commence until Lender obtains possession of the Premises, as long as all other defaults which reasonably can be cured by Lender without Lender obtaining possession of the Premises are so cured, and provided that Lender commences to exercise any rights to obtain possession or to effect foreclosure, and diligently pursues the exercise of such rights thereafter.

17. Lender will rely on the covenants and agreements made by Ground Lessor herein in connection with Lender's agreement to make the Mortgage Loan and Ground Lessor agrees that Lender may so rely on such representations and agreements.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the undersigned has signed and delivered this Ground Lessor Estoppel Certificate under seal (where applicable) or has caused this Ground Lessor Estoppel Certificate to be signed and delivered under seal (where applicable) by its duly authorized representative. Where applicable law so provides, the undersigned intend(s) that this Ground Lessor Estoppel Certificate shall be deemed to be signed and delivered as a sealed instrument.

GROUND LESSOR:

**HOUSING AUTHORITY OF
CITY OF LOS ANGELES**
a public body, corporate and politic

By: _____
Douglas Guthrie
President and Chief Executive Officer

SCHEDULE I TO GROUND LESSOR ESTOPPEL CERTIFICATE

(Copy of Lease)

ATTACHMENT 3

Subordination Agreement (DRAFT)

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**SUBORDINATION AGREEMENT
(Affordable)**

This SUBORDINATION AGREEMENT (this “**Agreement**”) dated as of December ____, 2022, is executed by and among (i) **JLL REAL ESTATE CAPITAL, LLC**, a Delaware limited liability company (“**Senior Lender**”), (ii) **HOUSING AUTHORITY OF THE CITY OF LOS ANGELES**, a public body, corporate and politic (“**Subordinate Lender**”), and (iii) **JORDAN DOWNS 2B, LP**, a California limited partnership (“**Borrower**”).

RECITALS:

A. Pursuant to that certain Multifamily Loan and Security Agreement dated as of the date hereof, executed by and between Borrower and Senior Lender (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Senior Loan Agreement**”), Senior Lender has agreed to make a loan to Borrower in the original principal amount of **\$10,500,000.00** (the “**Senior Loan**”), as evidenced by that certain Multifamily Note dated as of the date hereof, executed by Borrower and made payable to the order of Senior Lender in the amount of the Senior Loan (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Senior Note**”).

B. In addition to the Senior Loan Agreement, the Senior Loan and the Senior Note are also secured by a certain Multifamily Mortgage, Deed of Trust or Deed to Secure Debt dated as of the date hereof (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Senior Security Instrument**”), encumbering the leasehold interest in the property described in the Senior Security Instrument as the “**Mortgaged Property**.”

C. Borrower has requested Senior Lender to permit (i) that certain subordinate loan in the amount of \$2,800,000.00 (the “**Subordinate Loan 1**”) from Subordinate Lender to Borrower and to allow the Subordinate Loan 1 to be secured by a mortgage lien against the Mortgaged Property; and (ii) that certain subordinate loan in the amount of \$1,916,000.00 (the “**Subordinate Loan 2**”) and individually and collectively with “**Subordinate Loan 1**”, the “**Subordinate Loan**”) from Subordinate Lender to Borrower and to allow Subordinate Loan 2 to be secured by a mortgage lien against the Mortgaged Property;

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

AGREEMENTS:

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

1. Recitals.

The recitals set forth above are incorporated herein by reference.

2. Definitions.

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

“**Affiliate**” means, when used with respect to a Person, any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or individual Controlled by, under common Control with, or which Controls such Person, 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 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 the written notice from Subordinate Lender to Borrower and Senior Lender stating that a Subordinate Loan Default has occurred under the Subordinate Loan

Documents. Each Default Notice shall specify the default upon which such Default Notice is based.

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

“**Senior Lender**” means the Person named as such in the first paragraph 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 Default**” means the occurrence of an “Event of Default” as that term is defined in the Senior Loan Documents.

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

“**Subordinate Lender**” means the Person named as such in the first paragraph on page 1 of this Agreement, any successor or assign of Subordinate Lender, including without limitation, a receiver, trustee or debtor-in-possession and any other Person who becomes the legal holder of the Subordinate Note after the date of this Agreement.

“**Subordinate Loan Agreement**” means the Authority Loan Agreement dated as of January 1, 2020 by and between Borrower and Subordinate Lender, as amended by the First Amendment to Authority Loan Agreement dated as of substantially even date herewith by and between Borrower and Subordinate Lender.

“**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 Note, the Subordinate Mortgage, the Subordinate Loan Agreement, the Subordinate ROFR Agreement and all other documents evidencing, securing or otherwise executed and delivered in connection with the Subordinate Loan.

“**Subordinate Mortgage**” means the mortgages, deed of trusts or deeds to secure debt encumbering the Mortgaged Property as security for the Subordinate Loan, which Subordinate Lender has or will cause to be recorded among the applicable land records before this Agreement.

“**Subordinate Note**” means (a) the Authority Acquisition Note dated as of January 1, 2020 issued by Borrower to Subordinate Lender, or order, to evidence the Subordinate Loan 1 and (b) the Amended and Restated Authority Bridge note dated as of substantially even date herewith issued by Borrower to Subordinate Lender, or order, to evidence the Subordinate Loan 2.

“**Subordinate ROFR Agreement** means that certain Right of First Refusal, Purchase Option and Put Right Agreement, dated as of January 9, 2020 by and among Borrower, Subordinate Lender, Bridge Housing Corporation and Wells Fargo Affordable Housing Community Development Corporation.

3. Permission to Place Mortgage Lien Against Mortgaged Property.

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

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

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

(a) Subordinate Loan Documents.

The 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) Subordinate Note.

The Subordinate Note is deemed to contain the following provision:

The indebtedness evidenced by this Note is and shall be subordinate in right of payment to the prior payment in full of the indebtedness evidenced by a Multifamily Note (and any schedules) dated as of even date herewith in the original principal amount of \$10,500,000, executed by Jordan Downs 2B, LP, a California limited partnership, and payable to the order of JLL Real Estate Capital, LLC, a Delaware limited liability company (“**Senior Lender**”), to the extent and in the manner provided in that certain Subordination Agreement dated as of even date herewith between the payee of this Note, and Senior Lender and Jordan Downs 2B, LP, a California limited partnership (the “**Subordination Agreement**”). The Mortgage, Deed of Trust or Deed to Secure Debt (and any exhibits) securing this Note is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Multifamily Mortgage, Deed of Trust or Deed to Secure Debt (and any exhibits) securing the Multifamily Note and the terms, covenants and conditions of the Multifamily Loan and Security Agreement evidencing the terms of the Multifamily Note, as more fully set forth in the Subordination Agreement. The rights and remedies of the payee and each subsequent holder of this Note under the Mortgage, Deed of Trust or Deed to Secure Debt (and any exhibits) securing this Note are subject to the restrictions and limitations set forth in the Subordination Agreement. Each subsequent holder of

this Note shall be deemed, by virtue of such holder's acquisition of the Note, to have agreed to perform and observe all of the terms, covenants and conditions to be performed or observed by Subordinate Lender under the Subordination Agreement.

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

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

(d) Term.

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

(e) Subordinate Loan Documents.

The executed Subordinate Loan Documents are substantially in the same forms as those submitted to, and approved by, Senior Lender prior to the date of this Agreement.

5. Deliveries.

Borrower shall submit the following items to Senior Lender the later of (a) ten (10) Business Days after the date on which the proceeds of the Subordinate Loan are disbursed to Borrower, and (b) the effective date of the Senior Loan Documents:

(1) Title Policy Endorsement.

An endorsement to the policy of title insurance insuring the lien of the Senior Security Instrument which insures that (A) there are no liens or other encumbrances affecting the Mortgaged Property, other than "Permitted Encumbrances" (as defined in the Senior Security Instrument), the Subordinate Mortgage, and other Subordinate Loan Documents filed or recorded against the Mortgaged Property, (B) the lien of the Subordinate Mortgage is subordinate to the lien of the Senior Security Instrument, and (C) this Agreement has been recorded among the applicable land records.

(2) Certification.

A certification from Borrower to Senior Lender that the Subordinate Loan Documents do not contain any changes from the Subordinate Loan Documents submitted to, and approved by, Senior Lender prior to the date of this Agreement.

(3) Subordinate Loan Documents.

A complete set of the fully executed Subordinate Loan Documents, certified by Borrower to be true, correct and complete.

(4) Senior Loan Documents.

An executed copy of each of the Senior Loan Documents, certified by Borrower to be true, correct and complete.

6. Terms of Subordination.

(a) Agreement to Subordinate.

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

(b) Subordination of Subrogation Rights.

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

(c) Payments Before Senior Loan Default.

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

(d) Payments After Senior Loan Default.

Borrower agrees that, after it receives a Default Notice (or otherwise acquires knowledge) of a Senior Loan Default, it will not make any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorneys' fees, or any other sums secured by the Subordinate Loan Documents) without Senior Lender's prior written consent. Subordinate Lender agrees that, after it receives a Default Notice from Senior Lender with written instructions directing Subordinate Lender not to accept payments from Borrower on account of the Subordinate Loan, it will not

accept any payments under or pursuant to the Subordinate Loan Documents (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorneys' fees, or any other sums secured by the Subordinate Loan Documents) without Senior Lender's prior written consent. If Subordinate Lender receives written notice from Senior Lender that the Senior Loan Default which gave rise to Subordinate Lender's obligation not to accept payments has been cured, waived, or otherwise suspended by Senior Lender, the restrictions on payment to Subordinate Lender in this Section 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 or an affiliate of 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.

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

Subordinate Lender shall deliver to Senior Lender a Default Notice within five (5) Business Days in each case where Subordinate Lender has given a Default Notice to Borrower. Failure of Subordinate Lender to send a Default Notice to Senior Lender shall not prevent the exercise of Subordinate Lender's rights and remedies under the Subordinate Loan Documents, subject to the provisions of this Agreement. Senior Lender shall have the right, but not the obligation, to cure any Subordinate Loan Default within 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. All amounts paid by Senior Lender in accordance with the Senior Loan Documents to cure a Subordinate Loan Default shall be deemed to have been advanced by Senior Lender pursuant to, and shall be secured by, the Senior Loan Agreement and the Senior Security Instrument.

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

If a Subordinate Loan Default occurs and is continuing, Subordinate Lender agrees that, without Senior Lender's prior written consent, it will not commence foreclosure proceedings with respect to the Mortgaged Property under the Subordinate Loan Documents or exercise any other rights or remedies it may have under the Subordinate Loan Documents, including, but not limited to accelerating the Subordinate Loan (and enforcing any "due on sale" provision included in the Subordinate Loan Documents), collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder unless and until it has given Senior Lender at least sixty (60) days prior written notice; during such sixty (60) day period, however, Subordinate Lender shall be entitled to exercise and enforce all other rights and remedies available to Subordinate Lender under the Subordinate Loan Documents and/or under applicable laws, including without limitation, rights to enforce covenants and agreements of Borrower relating to income, rent, or affordability restrictions contained in any land use restriction agreement.

(c) Cross Default.

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

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 Section 8(a), nor shall such failure constitute a default by Senior Lender under this Agreement. Subordinate Lender shall have the right, but not the obligation, to cure any such Senior Loan Default within sixty (60) days following the date of such Default Notice or the date on which Subordinate Lender otherwise acquires actual knowledge of Senior Loan Default; provided, however, that Senior Lender shall be entitled during such sixty (60) day period to continue to pursue its remedies under the Senior Loan Documents. Subordinate Lender may have up to ninety (90) days from the date of the Default Notice to cure a non-monetary default if during such ninety (90) 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 ninety (90) 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 Subordinate Lender to Senior Lender to cure a Senior Loan Default shall be deemed to have been advanced by Subordinate Lender pursuant to, and shall be secured by the Subordinate Loan Agreement and 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.

Borrower, Senior Lender and Subordinate Lender each agrees that, in the event of any conflict or inconsistency between the terms of the Senior Loan Documents, the Subordinate Loan

Documents and the terms of this Agreement, the terms of this Agreement shall govern and control solely as to the following: (a) the relative priority of the security interests of Senior Lender and Subordinate Lender in the Mortgaged Property; (b) the timing of the exercise of remedies by Senior Lender and Subordinate Lender under the Senior Loan Documents and the Subordinate Loan Documents, respectively; and (c) solely as 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. Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend Borrower's time to cure any Senior Loan Default or Subordinate Loan Default, as the case may be; give Borrower the right to notice of any Senior Loan Default or Subordinate Loan Default, as the case may be other than that, if any, provided, respectively under the Senior Loan Documents or the Subordinate Loan Documents; or create any other right or benefit for Borrower as against Senior Lender or Subordinate Lender.

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 elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the Senior Loan, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Senior Loan shall be paid to, and may be applied by, Subordinate Lender in accordance with the applicable provisions of the Subordinate Loan Documents, provided however, Senior Lender agrees to consult with Subordinate Lender in determining the application of Casualty proceeds, provided further, however, that in the event of any disagreement between Senior Lender and Subordinate Lender over the application of Casualty proceeds, the decision of Senior Lender, in its sole discretion, shall prevail.

(c) Insurance.

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

(d) No Modification of Subordinate Loan Documents.

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

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 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 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. 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.

14. Notices.

(a) Process of Serving Notice.

All notices under this Agreement shall be:

- (1) in writing and shall be:
 - (A) delivered, in person;
 - (B) mailed, postage prepaid, either by registered or certified delivery, return receipt requested;
 - (C) sent by overnight courier; or
 - (D) sent by electronic mail with originals to follow by overnight courier;

(2) addressed to the intended recipient at the address(es) below the signature block, as applicable; and

(3) deemed given on the earlier to occur of:

(A) the date when the notice is received by the addressee; or

(B) if the recipient refuses or rejects delivery, the date on which the notice is so refused or rejected, as conclusively established by the records of the United States Postal Service or any express courier service.

(b) Change of Address.

Any party to Agreement may change the address to which notices intended for it are to be directed by means of notice given to the other parties identified in this Agreement.

(c) Receipt of Notices.

Senior Lender, Subordinate Lender or Borrower shall not refuse or reject delivery of any notice given in accordance with this Agreement. Each party is required to acknowledge, in writing, the receipt of any notice upon request by the other party.

15. General.

(a) Assignment/Successors.

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

(b) No Partnership or Joint Venture.

Senior Lender's permission for the placement of the Subordinate Loan does not constitute Senior Lender as a joint venturer or partner of Subordinate Lender. 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 Borrower each agrees, at Borrower's expense, to execute and deliver all additional instruments and/or documents reasonably required by any other party to this Agreement in order to evidence that the Subordinate Mortgage 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 Borrower agree that any controversy arising under or in relation to this Security Instrument shall be litigated exclusively in the jurisdiction in which the Mortgaged Property is located. The state and federal courts and authorities with jurisdiction in such locale shall have exclusive jurisdiction over all controversies that arise under or in relation to this Agreement. The parties hereto irrevocably consent to service, jurisdiction, and venue of such courts for any such litigation and waive any other venue to which any might be entitled by virtue of domicile, habitual residence or otherwise.

(g) Severable Provisions.

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

(h) Term.

The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (1) the payment in full of the principal of, interest on and other amounts payable under the Senior Loan Documents; (2) the payment in full of the principal of, interest on and other amounts payable under the Subordinate Loan Documents, other than by reason of payments which Subordinate Lender is obligated to remit to Senior Lender pursuant to Section 6 hereof; (3) the acquisition by Senior Lender of title to the Mortgaged Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the Senior Loan Documents; or (4) the acquisition by Subordinate Lender of title to the Mortgaged Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the Subordinate Loan Documents, but only if such acquisition of title does not violate any of the terms of this Agreement.

(i) Counterparts.

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

(j) Sale of Senior Loan.

Nothing in this Agreement shall limit Senior Lender's (including any assignee or transferee of Senior Lender) right to sell or transfer 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 Borrower.

[Remainder of Page Intentionally Blank]

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

SENIOR LENDER:

JLL REAL ESTATE CAPITAL, LLC, a
Delaware limited liability company

By: _____ (SEAL)

Name: Alyssa D. Berquam
Title: Closing Coordinator

Address: 2177 Youngman Avenue
St. Paul, Minnesota 55116

With a copy to: Attention: Multifamily Asset Management
Drawer AM
1100 15th Street, NW
Washington, DC 20005

CALIFORNIA

CERTIFICATE OF ACKNOWLEDGMENT

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

STATE OF _____)
)SS.:
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Notary Public

Print Name: _____

My commission expires:

SUBORDINATE LENDER:

**HOUSING AUTHORITY OF
CITY OF LOS ANGELES**
a public body, corporate and politic

By: _____
Douglas Guthrie
President and Chief Executive 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)
County of _____)

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

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 _____

BORROWER:

JORDAN DOWNS 2B, LP,
a California limited partnership

By: JD Housing 2B, LLC,
a California limited liability company,
its managing general partner

By: BRIDGE Housing Corporation,
a California nonprofit public benefit corporation,
its sole member and manager

By: _____
Name: _____
Title: _____

CALIFORNIA

CERTIFICATE OF ACKNOWLEDGMENT

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

STATE OF _____)
)SS.:
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Notary Public

Print Name: _____

My commission expires:

ATTACHMENT 4

First Amendment to Ground Lease Agreement (DRAFT)

FIRST AMENDMENT TO GROUND LEASE AGREEMENT

Jordan Downs Area H

THIS FIRST AMENDMENT TO GROUND LEASE AGREEMENT (this “**Amendment**”) is entered into as of [January ____], 2023 by and between the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic organized and existing under the laws of the State of California (“**Landlord**”), and JORDAN DOWNS 2B, LP, a California limited partnership (“**Tenant**”).

RECITALS

A. Landlord owns that certain real property situated in Los Angeles, California, as more particularly described on Exhibit A attached hereto (the “**Leased Premises**”).

B. Landlord and the Tenant entered into that certain Ground Lease Agreement dated as of January 1, 2020 (the “**Ground Lease**”), evidenced by that certain Memorandum of Ground Lease dated January 1, 2020 and recorded January 10, 2020 in the Official Records as Document No. 20200039455.

WHEREAS, the parties desire to amend the Ground Lease to reflect certain amended and modified terms agreed to by the parties hereto, as set forth in this Amendment;

NOW, THEREFORE, for and in consideration of the foregoing premises, the covenants, representations, warranties, and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto do hereby agree as follows:

1. Recitals. The foregoing recitals are incorporated herein by reference.
2. Capitalized Terms. Capitalized terms used but not defined herein (including in the Recitals) shall have the meanings set forth in the Ground Lease.
3. Definitions. The following defined terms in Section 1.1 of the Ground Lease are amended and replaced as follows:
 - (a) “**Approved Financing**” shall mean all of the following loans and financing acquired by Tenant and approved by Landlord for the purpose of financing the acquisition and construction of the Project:

(1) A construction loan from Wells Fargo Bank, N.A. in the approximate amount of Twenty-Two Million Seven Hundred Fifty-One Thousand Eight Hundred Fifty-Two Dollars (\$22,751,852.00) (the “**Construction Loan**”);

(2) A construction loan from Waverly Street Foundation, a California public benefit corporation, in the approximate amount of Ten Million Eighty-Two Thousand Dollars (\$10,082,000.00) (the “**Waverly Loan**”);

(3) A permanent loan from JLL Commercial Mortgage, LLC, a [Delaware] limited liability company, in the approximate amount of Ten Million Five Hundred Thousand Dollars (\$10,500,000.00) which permanent loan shall be sold and assigned to Fannie Mae (the “**Permanent Loan**”);

(4) An acquisition loan from Landlord in the approximate amount of Two Million Eight Hundred Thousand Dollars (\$2,800,000.00) (the “**Authority Acquisition Loan**”);

(5) A bridge loan from Landlord in the approximate amount of One Million Nine Hundred Sixteen Thousand Dollars (\$1,916,000.00) (the “**Authority Bridge Loan**”);

(6) Investor equity funds generated from Low-Income Housing Tax Credits in the approximate amount of Twenty-Eight Million Six Hundred Seventy-Three Thousand Two Hundred Nine Dollars (\$28,673,209.00) (the “**Tax Credit Equity**”);

(7) A loan from BRIDGE Housing Development Corporation in the approximate amount of One Million Nine Hundred Ninety-Nine Thousand Two Hundred Sixty- Eight Dollars (\$1,999,268.00) (the “**IIP Loan**”) pursuant to HCD’s Infill Infrastructure Program; and

(8) If obtained by Tenant, an Affordable Housing Program loan from the Federal Home Loan Bank in the approximate amount of Eight Hundred Thousand Dollars (\$800,000.00) (the “**AHP Loan**”).

(h) “**Authority Loan Agreement**” shall mean that certain Authority Loan Agreement by and between the Landlord, as lender, and the Tenant, as borrower, dated as of January 1, 2020, as amended by that certain First Amendment to Authority Loan Agreement dated as of substantially even date herewith.

(i) “**Memorandum of Lease**” shall mean that certain Memorandum of Ground Lease dated January 1, 2020 and recorded January 10, 2020 in the Official Records as Document No. 20200039455, as amended by that certain First Amendment to Memorandum of Lease dated as of substantially even date here with and to be recorded in the Official Records.

4. Notices. All notices, requests, demands or other communications required or permitted to be given to the holder of the Permanent Loan under the Lease shall be given in accordance with Section 18.12 of the Lease at the addresses set forth below.

To holder of the Permanent Loan:	JLL Commercial Mortgage, LLC [2029 Century Park East, 30 th Floor] [Los Angeles, CA 90067] Attn: [_____]
-------------------------------------	--

[email]

with a copy to:

Cassin & Cassin LLP
711 Third Avenue, 20th Floor
New York, NY 10017
Attn: Jordan Hersch

5. First Amendment to Memorandum of Lease. The Parties shall execute and acknowledge the First Amendment to Memorandum of Lease, in the form attached hereto as Exhibit B, which Tenant shall cause to be immediately recorded in the Official Records at Tenant's expense.

6. Authorization and Ratification.

(a) The Ground Lease is not amended in any other respect.

(b) Tenant affirms its obligations under the Ground Lease, as amended hereby, and Tenant agrees that such obligations are the valid and binding obligations of Tenant, enforceable in accordance with its terms, subject to no counterclaim, objection or defense.

(c) The Parties agree to execute and acknowledge (or cause to be executed or acknowledged) and deliver all documents and take all actions reasonably required by any of the parties from time to time to give effect to the provisions of this Amendment or otherwise carry out the purposes of this Amendment.

(d) This Amendment 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 follow]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the day and year first above written.

LANDLORD:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

a public body, corporate and politic

By: _____
Douglas Guthrie
President and Chief Executive Officer

TENANT:

JORDAN DOWNS 2B, LP,
a California limited partnership

By: JD Housing 2B, LLC,
a California limited liability company,
its managing general partner

By: BRIDGE Housing Corporation,
a California nonprofit public benefit corporation,
its sole member and manager

By: _____

Name: _____

Title: _____

EXHIBIT A

Leased Premises

The land referred to is situated in the County of Los Angeles, City of Los Angeles, State of California, and is described as follows:

PARCEL ONE:

A portion of Lot 1 of Tract 16154 filed in Book 540, pages 48 through 50, in the office of the County Recorder of Los Angeles County, described as follows:

Beginning at the northwest corner of Lot 7, as shown on the map of Tract No 72805, as per map recorded in Book 1394, pages 49 through 57, inclusive of Maps, in said Office of the County Recorder; thence along the northerly prolongation of the west line of said Lot 7 North $00^{\circ} 11' 15''$ East 30.00 feet to the centerline of 99th Place, a private street, as shown on said Map of Tract No. 72805; thence along said centerline South $89^{\circ} 17' 13''$ West 320.28 feet; thence leaving said centerline South $00^{\circ} 42' 47''$ East 191.55 feet to a point on the north line of Lot 8 of said tract 72805; thence along said north line of Lot 8 South $89^{\circ} 23' 44''$ East 268.81 feet to the northwesterly line of Century Boulevard as shown on said map of Tract No. 72805, said point being the beginning of a non- tangent curve, concave southerly, having a radius of 352.00 feet, a radial line through said point bears North $18^{\circ}18' 29''$ West; thence along said curved northwesterly line 50.04 feet through a central angle of $08^{\circ} 08' 44''$ to a point of non-tangency, a radial line through said point bears North $10^{\circ} 09' 45''$ West, said point also being the southwest corner of Lot 7 of said Tract No. 72805; thence along the west line of said Lot 7 North $00^{\circ} 11' 15''$ East 156.06 feet to the point of beginning.

EXCEPTING THEREFROM: The Northerly 30 feet thereof.

APN: portion 6046-019-930

EXHIBIT B

First Amendment to Memorandum of Ground Lease

RECORDING REQUESTED BY:

Housing Authority of the City of Los Angeles

WHEN RECORDED MAIL TO:

Reno & Cavanaugh, PLLC
Attn: Megan Glasheen
455 Massachusetts Ave., Suite 400
Washington, DC 20001

**No fee for recording pursuant to
Government Code Section 27383**

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

FIRST AMENDMENT TO MEMORANDUM OF GROUND LEASE

Jordan Downs Area H

THIS FIRST AMENDMENT TO MEMORANDUM OF GROUND LEASE is made as of [January ____], 2022 by and among the Housing Authority of the City of Los Angeles, a public body, corporate and politic ("**Landlord**"), and Jordan Downs 2B, LP, a California limited partnership ("**Tenant**").

WHEREAS, Landlord owns that certain real property situated in Los Angeles, California, as more particularly described on Exhibit A attached hereto (the "**Leased Premises**");

WHEREAS, Landlord and Tenant entered into that certain Ground Lease Agreement dated as of January 1, 2020 for the Leased Premises (the "**Lease**"), as evidenced by that certain Memorandum of Ground Lease dated January 1, 2020 and recorded on January 10, 2020 as File No. 20200039455 in the Los Angeles County Clerk's Office (the "**Memorandum**");

WHEREAS, Landlord and Tenant entered into that certain First Amendment to Ground Lease Agreement, dated as of even date herewith (the "**Amendment**"), to amend and modify certain terms of the Lease; and

WHEREAS, Landlord and Tenant desire to amend the Memorandum to acknowledge and evidence the Amendment.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be mutually bound, the Landlord and Tenant do hereby amend the Memorandum as follows:

1. Landlord and Tenant entered into the Lease, dated January 1, 2020.
2. Landlord and Tenant entered into the Amendment, dated [January ____], 2022.
3. Unless otherwise provided herein, all capitalized terms shall have the meaning set forth in the Lease, as amended by the Amendment.
4. Except as set forth in the Amendment, the Lease remains in full force and effect.
5. This First Amendment to Memorandum of Ground Lease contains only selected provisions of the Lease, Amendment and Memorandum. Reference is hereby made to the Lease, Amendment and Memorandum for the full terms and conditions, which shall control.
6. This First Amendment to Memorandum of Ground Lease is solely for recording purposes and shall not be construed to alter, amend, or supplement the Lease and Amendment.

[signature pages follow]

IN WITNESS WHEREOF, the parties have caused this First Amendment to Memorandum of Ground Lease to be duly executed as of the date first above written.

LANDLORD:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES,
a public body, corporate and politic

By: _____
Douglas Guthrie
President and Chief Executive Officer

WITNESS:

[NOTARY BLOCK ON NEXT PAGE]

TENANT:

JORDAN DOWNS 2B, LP,
a California limited partnership

By: JD Housing 2B, LLC,
a California limited liability company,
its managing general partner

By: BRIDGE Housing Corporation,
a California nonprofit public benefit corporation,
its sole member and manager

By: _____
Name: _____
Title: _____

WITNESS:

[NOTARY BLOCK ON NEXT PAGE]

EXHIBIT A

First Amendment to Memorandum of Ground Lease Jordan Downs Area H

PROPERTY DESCRIPTION

The land referred to is situated in the County of Los Angeles, City of Los Angeles, State of California, and is described as follows:

PARCEL ONE:

A portion of Lot 1 of Tract 16154 filed in Book 540, pages 48 through 50, in the office of the County Recorder of Los Angeles County, described as follows:

Beginning at the northwest corner of Lot 7, as shown on the map of Tract No 72805, as per map recorded in Book 1394, pages 49 through 57, inclusive of Maps, in said Office of the County Recorder; thence along the northerly prolongation of the west line of said Lot 7 North 00° 11' 15" East 30.00 feet to the centerline of 99th Place, a private street, as shown on said Map of Tract No. 72805; thence along said centerline South 89° 17' 13" West 320.28 feet; thence leaving said centerline South 00° 42' 47" East 191.55 feet to a point on the north line of Lot 8 of said tract 72805; thence along said north line of Lot 8 South 89° 23' 44" East 268.81 feet to the northwesterly line of Century Boulevard as shown on said map of Tract No. 72805, said point being the beginning of a non- tangent curve, concave southerly, having a radius of 352.00 feet, a radial line through said point bears North 18°18' 29" West; thence along said curved northwesterly line 50.04 feet through a central angle of 08° 08' 44" to a point of non-tangency, a radial line through said point bears North 10° 09' 45" West, said point also being the southwest corner of Lot 7 of said Tract No. 72805; thence along the west line of said Lot 7 North 00° 11' 15" East 156.06 feet to the point of beginning.

EXCEPTING THEREFROM: The Northerly 30 feet thereof.

APN: portion 6046-019-930