

ATTACHMENT N 5

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

[Orange County Housing Authority]
[County of Orange
OC Community Resources/
Housing & Community Development]
1501 E. St. Andrew Place, 1st Floor, Santa Ana, CA 92705
Attn: [Executive] Director

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "**Agreement**") is entered into this ____ day of [MONTH] 2023 by and among (i) [ORANGE COUNTY HOUSING AUTHORITY, a public corporation created pursuant to California Health and Safety Code section 34200 *et. seq.*, acting solely as the Housing Successor Agency to the Orange County Development Agency] [COUNTY OF ORANGE, a political subdivision of the State of California], (the "**County**") (ii) [SUBORDINATE ENTITY] (the "**Subordinate Lender**"), and (iii) [AWARDEE] (the "**Borrower**").

Recitals

A. The County has made or is making a loan (the "**Senior Mortgage Loan**") to the Borrower in the original principal amount of \$[XXX]. The Senior Mortgage Loan is or will be secured by a senior mortgage lien (the "**Senior Mortgage**") on a multifamily housing project known as [NAME OF PROJECT], located in the [CITY], CA (the "**Property**") and as more fully described in Exhibit A attached hereto. The Borrower's obligation to repay the Senior Mortgage Loan is evidenced by a Promissory Note of even date herewith (the "**Senior Mortgage Note**").

B. The Borrower and the Subordinate Lender have previously entered into two agreements pursuant to which the Subordinate Lender has agreed to allow Borrower [DESCRIPTION OF SUBORDINATE LENDER ASSISTANCE] (collectively, the "**Subordinate Loans**") which Subordinate Loans are secured by, among other things, two mortgage liens against the Property. The Subordinate Loans collectively total \$[XXXXXX].

C. The County has agreed to permit the Subordinate Loans to remain as subordinate mortgage liens against the Property subject to all of the conditions contained in this Agreement.

D. The Subordinate Lender has agreed to subordinate its mortgage liens to the lien of the Senior Mortgage.

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NOW, THEREFORE, in consideration of for foregoing Recitals, which are incorporated herein by this reference and made a part of this Agreement, the County, the Subordinate Lender and the Borrower agree as follows:

1. Definitions.

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

"Affiliate" means, when used with respect to a Person, any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or individual controlled by, under common control with, or which controls such Person (the term "control" for these purposes shall mean the ability, whether by the ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to make management decisions on behalf of, or independently to select the managing partner of, a partnership, or otherwise to have the power independently to remove and then select a majority of those individuals exercising managerial authority over an entity, and control shall be conclusively presumed in the case of the ownership of 50% or more of the equity interests).

"Borrower" means [BORROWER NAME] and any other Person (other than the County) who acquires title to the Property after the date of this Agreement.

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

"County" means the [Orange County Housing Authority, a public corporation created pursuant to California Health and Safety Code section 34200 et. seq., acting solely as the Housing Successor Agency to the Orange County Development Agency] [County Of Orange, a political subdivision of the State of California].

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

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

"Regulatory Agreement Default" means a default by the Borrower in performing or observing any of the terms, covenants or conditions in the County Regulatory Agreement to

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be performed or observed by it, which continues beyond any applicable period provided in the County Regulatory Agreement for curing the default

"Senior Mortgage Loan Default" means the occurrence of either a default by the Borrower in performing or observing any of the terms, covenants or conditions in the Senior Mortgage Loan Documents to be performed or observed by it, which continues beyond any applicable period provided in the Senior Mortgage Loan Documents for curing the default, or an "Event of Default" as that term is defined in the Senior Mortgage Loan Documents.

"Senior Mortgage Loan Documents" means the Senior Mortgage Note and all other documents evidencing, securing or otherwise executed and delivered in connection with the Senior Mortgage Loan.

"Subordinate Lender" means the City of Placentia, acting as the Housing Successor Agency to the Placentia Redevelopment Agency, and any other Person who becomes the legal holder of the Subordinate Notes after the date of this Agreement.

"Subordinate Loan Default" means a default by the Borrower in performing or observing any of the terms, covenants or conditions in the Subordinate Loan Documents 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 Notes, the Subordinate Mortgages, and all other documents evidencing, securing or otherwise executed and delivered in connection with the Subordinate Loans, including but not limited to those certain documents set forth on Exhibit B attached hereto.

"Subordinate Mortgages" means the mortgages or deeds of trust encumbering the Property as security for the Subordinate Loans, which were previously recorded in the applicable land records.

"Subordinate Notes" means the promissory notes issued by the Borrower to the Subordinate Lender, or order, to evidence the Subordinate Loans.

2. Permission to Place Mortgage Lien Against Property.

The County has agreed and hereby consents to, notwithstanding the prohibition against inferior liens on the Property contained in the Senior Mortgage Loan Documents and subject to the provisions of this Agreement, the Subordinate Mortgages and other recordable Subordinate Loan Documents against the Property (which are subordinate in all respects to the lien of the Senior Mortgage) which secure the Borrower's obligation to repay the Subordinate Notes and all other obligations, indebtedness and liabilities of the Borrower to the Subordinate Lender under and in connection with the Subordinate Loans. Such consent is subject to the condition that each of the representations and warranties made by the Borrower and the Subordinate Lender in Section 3 are true and correct as of the date of this Agreement. If any of the representations and warranties made

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by the Borrower and the Subordinate Lender in Section 3 is not true and correct as of the date of this Agreement, the provisions of the Senior Mortgage Loan Documents applicable to unpermitted liens on the Property shall apply.

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

A. The Borrower and the Subordinate Lender each makes the following representations and warranties to the County:

(a) **Relationship of Borrower to Subordinate Lender and Borrower.** The Subordinate Lender is not an Affiliate of the Borrower and is not in possession of any facts that would lead it to believe that the Subordinate Lender is an Affiliate of the Borrower.

B. The Borrower makes the following representations and warranties to the County and City:

(a) **Subordinate Loan Documents.** The executed Subordinate Loan Documents are substantially in the same forms as those submitted to, and approved by, County prior to the date of this Agreement. Borrower shall deliver to County an executed copy of each of the Subordinate Loan Documents, certified to be true, correct and complete.

(b) **Senior Loan Documents.** The executed Senior Loan Documents are substantially in the same forms as, when applicable, those submitted to Subordinate Lender prior to the date of this Agreement. Upon execution and delivery of the Senior Loan Documents, Borrower shall deliver to Subordinate Lender an executed copy of each of the Senior Loan Documents, certified to be true, correct and complete.

4. Terms of Subordination.

(a) **Subordinate Lender Agreement to Subordinate.** The County and the Subordinate Lender agree that: (i) the indebtedness evidenced by the Subordinate Loan Documents is and shall be subordinated in right of payment, to the extent and in the manner provided in this Agreement to the prior payment in full of the indebtedness evidenced by the Senior Mortgage Loan Documents, and (ii) the Subordinate Mortgages 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 Mortgage and the other Senior Mortgage Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the Senior Mortgage and the other Senior Mortgage Loan Documents (including but not limited to, all sums advanced for the purposes of (1) protecting or further securing the lien of the Senior Mortgage, curing defaults by the Borrower under the Senior Mortgage Loan Documents or for any other purpose expressly permitted by the Senior Mortgage, or (2) constructing, renovating, repairing, furnishing, fixturing or equipping the Property).

(b) **Subordinate Lender Subordination of Subrogation Rights.** The Subordinate Lender agrees that if, by reason of its payment of real estate taxes or other monetary obligations of the Borrower, or by reason of its exercise of any other right or remedy under the Subordinate Loan Documents, it acquires by right of subrogation or otherwise a lien on the Property

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which (but for this subsection) would be senior to the lien of the Senior Mortgage, then, in that event, such lien shall be subject and subordinate to the lien of the Senior Mortgage.

(c) **Payments Before Senior Mortgage Loan Default.** Until the Subordinate Lender receives a Default Notice of a Senior Mortgage Loan Default from the County, the 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 Mortgage Loan Default.** The Borrower agrees that, after it receives notice (or otherwise acquires knowledge) of a Senior Mortgage 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, attorney's fees, or any other sums secured by the Subordinate Mortgage) without the County's prior written consent. The Subordinate Lender agrees that, after it receives a Default Notice from the County with written instructions directing the Subordinate Lender not to accept payments from the Borrower on account of the Subordinate Loans, 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, attorney's fees, or any other sums secured by the Subordinate Mortgages) without the County's prior written consent. If the Subordinate Lender receives written notice from the County that the Senior Mortgage Loan Default which gave rise to the Subordinate Lender's obligation not to accept payments has been cured, waived, or otherwise suspended by the County, the restrictions on payment to the Subordinate Lender in this Section 4 shall terminate, and the County shall have no right to any subsequent payments made to the Subordinate Lender by the Borrower prior to the Subordinate Lender's receipt of a new Default Notice from the County in accordance with the provisions of this Section 4(d).

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

(f) **Subordinate Lender Agreement Not to Commence Bankruptcy Proceeding.** The Subordinate Lender agrees that during the term of this Agreement it will not

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commence, or join with any other creditor in commencing any bankruptcy reorganization, arrangement, insolvency or liquidation proceedings with respect to the Borrower, without the County's prior written consent.

5. Default Under Subordinate Loan Documents.

(a) **Notice of Default and Cure Rights.** The Subordinate Lender shall deliver to the County a Default Notice within five (5) Business Days in each case where the Subordinate Lender has given a Default Notice to the Borrower. Failure of the Subordinate Lender to send a Default Notice to the County shall not prevent the exercise of the Subordinate Lender's rights and remedies under the Subordinate Loan Documents, subject to the provisions of this Agreement. The County shall have the right, but not the obligation, to cure any Subordinate Loan Default or Regulatory Agreement Default (as applicable) within sixty (60) days following the date of such notice; provided, however that the 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 the County in accordance with the Senior Mortgage Loan Documents to cure a Subordinate Loan Default or Regulatory Agreement Default (as applicable) shall be deemed to have been advanced by the County pursuant to, and shall be secured by the lien of, the Senior Mortgage.

(b) **Subordinate Lender's Exercise of Remedies After Notice to County.** If a Subordinate Loan Default or Regulatory Agreement Default occurs and is continuing, the Subordinate Lender agrees that, without the County's prior written consent, it will not commence foreclosure proceedings with respect to the 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 one or both of the Subordinate Loans, collecting rents, appointing (or seeking the appointment of) a receiver or exercising any other rights or remedies thereunder unless and until it has given the County at least sixty (60) days' prior written notice; during such sixty (60) day period, however, the Subordinate Lender shall be entitled to exercise and enforce all other rights and remedies available to the Subordinate Lender under the Subordinate Loan Documents and/or under applicable laws.

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

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charges or payments received by the County during such Senior Mortgage Loan Default.

6. Default Under Senior Mortgage Loan Documents.

(a) **Notice of Default and Cure Rights.** The County shall deliver to the Subordinate Lender a Default Notice within five (5) Business Days in each case where the County has given a Default Notice to the Borrower. Failure of the County to send a Default Notice to the Subordinate Lender shall not prevent the exercise of the County's rights and remedies under the Senior Loan Documents, subject to the provisions of this Agreement. The Subordinate Lender shall have the right, but not the obligation, to cure any such Senior Mortgage Loan Default within sixty (60) days following the date of such notice; provided, however, that the County shall be entitled during such sixty (60) day period to continue to pursue its remedies under the Senior Mortgage 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 Mortgage Loan Documents. In the event that such a non-monetary default creates an unacceptable level of risk relative to the Property, or County's secured position relative to the Property, as determined by County in its sole discretion, then County may exercise during such ninety (90) day period all available rights and remedies to protect and preserve the Property and the rents, revenues and other proceeds from the Property. All amounts paid by the Subordinate Lender to the County to cure a Senior Mortgage Loan Default shall be deemed to have been advanced by the Subordinate Lender pursuant to, and shall be secured by the lien of, the Subordinate Mortgages.

(b) **Cross Default.** The Subordinate Lender agrees that, notwithstanding any contrary provision contained in the Subordinate Loan Documents, a Senior Mortgage Loan Default shall not constitute a default under the Subordinate Loan Documents if no other default occurred under the Subordinate Loan Documents until either (i) the County has accelerated the maturity of the Senior Mortgage Loan, or (ii) the County has taken affirmative action to exercise its rights under the Senior Mortgage to collect rent, to appoint (or seek the appointment of) a receiver or to foreclose on (or to exercise a power of sale contained in) the Senior Mortgage. At any time after a Senior Mortgage Loan Default is determined to constitute a default under the Subordinate Loan Documents, the 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 the Borrower cures any Senior Mortgage Loan Default to the satisfaction of the County, as evidenced by written notice from the County to the Subordinate Lender, any default under the Subordinate Loan Documents arising from such Senior Mortgage Loan Default shall be deemed cured and the Subordinate Loans shall be retroactively reinstated as if such Senior Mortgage Loan Default had never occurred.

7. Conflict.

The Borrower, the County and the Subordinate Lender each agrees that, in the event of any

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conflict or inconsistency between the terms of the Senior Mortgage 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 the County and the Subordinate Lender in the Property; (b) the timing of the exercise of remedies by the County and the Subordinate Lender under the Senior Mortgage and the Subordinate Mortgages, respectively; and (c) solely as between the County and the Subordinate Lender, the notice requirements, cure rights, and the other rights and obligations which the County and the Subordinate Lender have agreed to as expressly provided in this Agreement. Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend Borrower's time to cure any Senior Mortgage Loan Default or Subordinate Loan Default, as the case may be; give the Borrower the right to notice of any Senior Mortgage Loan Default or Subordinate Loan Default, as the case may be other than that, if any, provided, respectively under the Senior Mortgage Loan Documents, the Subordinate Loan Documents; or create any other right or benefit for Borrower as against County or Subordinate Lender.

8. Rights and Obligations of the Subordinate Lender Under the Subordinate Loan Documents and of the County under the Senior Mortgage Loan Documents.

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

(a) **Protection of Security Interest.** The Subordinate Lender shall not, without the prior written consent of the County 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 the Subordinate Lender shall have the right to advance funds to cure Senior Mortgage Loan Defaults pursuant to Section 6(a) above and advance funds pursuant to the Subordinate Mortgages for the purpose of paying real estate taxes and insurance premiums, making necessary repairs to the Property and curing other defaults by the Borrower under the Subordinate Loan Documents.

(b) **Condemnation or Casualty.** In the event of: a taking or threatened taking by condemnation or other exercise of eminent domain of all or a portion of the Property (collectively, a "Taking"); or the occurrence of a fire or other casualty resulting in damage to all or a portion of the Property (collectively, a "Casualty"), at any time or times when the Senior Mortgage remains a lien on the Property the following provisions shall apply:

(1) The Subordinate Lender hereby agrees that its rights (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a Taking and/or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Taking or a Casualty shall be and remain subordinate in all respects to the County's rights under the Senior Mortgage Loan Documents with respect thereto, and the Subordinate Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by the County; provided, however, this subsection and/or anything contained in this Agreement shall not limit the rights of the Subordinate Lender to file any pleadings, documents,

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claims or notices with the appropriate court with jurisdiction over the proposed Taking and/or Casualty; and

(2) All proceeds received or to be received on account of a Taking or a Casualty, or both, shall be applied (either to payment of the costs and expenses of repair and restoration or to payment of the Senior Mortgage Loan) in the manner determined by the County in its sole discretion; provided, however, that if the County elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the Senior Mortgage Loan, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Senior Mortgage Loan shall be paid to, and may be applied by, the Subordinate Lender in accordance with the applicable provisions of the Subordinate Loan Documents, provided however, the County agrees to consult with the Subordinate Lender in determining the application of Casualty proceeds, provided further however that in the event of any disagreement between the County and the Subordinate Lender over the application of Casualty proceeds, the decision of the County, in its sole discretion, shall prevail.

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

9. Modification or Refinancing of Senior Mortgage Loan.

Subject to the final sentence hereof, the Subordinate Lender consents to any agreement or arrangement in which the County waives, postpones, extends, reduces or modifies any provisions of the Senior Mortgage 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 Mortgage 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 Mortgage Loan, the Senior Mortgage Note, the Senior Mortgage, the Senior Mortgage Loan Documents and County shall mean, respectively, the refinance loan, the refinance note, the mortgage securing the refinance note, all documents evidencing securing or otherwise pertaining to the refinance note and the holder of the refinance note. Notwithstanding anything to the contrary in this Section 9, the County shall not, without the prior written consent of the Subordinate Lender in each instance, which will not be unreasonably withheld, take any action which has the effect of increasing the indebtedness outstanding under, or secured by, the Senior Mortgage Loan Documents, increasing the required payments due under the Senior Mortgage Loan, decreasing the term of the Senior Mortgage Loan,

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or increasing the interest rate on the Senior Mortgage Loan (other than on account of regular fluctuations in the variable interest rate on the Senior Mortgage Loan or in connection with charging default rate of interest following a Senior Mortgage Loan Default), except that the Senior Lender shall have the right to advance funds to cure Subordinate Loan Defaults pursuant to Section 5(a), above, and advance funds pursuant to the Senior Mortgage Loan Documents for the purpose of paying real estate taxes and insurance premiums, making necessary repairs to the Property, curing other defaults by Borrower under the Senior Mortgage Loan Documents, or protecting the Senior Lender's security interest in the Property.

10. Default by the Subordinate Lender or County.

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

11. Notices.

Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which the County or the Subordinate Lender is required or permitted to give to the other party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if: (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered); or (b) sent by Federal Express (or other similar national overnight courier) designating next Business Day delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier); or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two (2) days after mailing in the United States), addressed to the respective parties as follows:

COUNTY:

[Orange County Housing Authority]

[County of Orange
OC Community Resources/
Housing & Community Development]
1501 E. St. Andrew Place, 1st Floor,
Santa Ana, CA 92705
Attn: [Executive] Director

SUBORDINATE LENDER:

[PLEASE PROVIDE]

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BORROWER:**

[PLEASE PROVIDE]

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

12. General.

(a) **Assignment/Successors.** This Agreement shall be binding upon the Borrower, the County and the Subordinate Lender and shall inure to the benefit of the respective legal successors and assigns of the County and the Subordinate Lender.

(b) **No Partnership or Joint Venture.** The County's permission for the placement of the Subordinate Loan Documents does not constitute the County as a joint venturer or partner of the Subordinate Lender. Neither party hereto shall hold itself out as a partner, agent or Affiliate of the other party hereto.

(c) **County's and Subordinate Lender's Consent.** Wherever the County's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by the County in its sole and absolute discretion, unless otherwise expressly provided in this Agreement. Wherever the Subordinate Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by the Subordinate Lender in its sole and absolute discretion, unless otherwise expressly provided in this Agreement.

(d) **Further Assurances.** The Subordinate Lender, the County and the Borrower each agree, at the Borrower's expense, to execute and deliver all additional instruments and/or documents reasonably required by any other party to this Agreement in order to (i) evidence that the Subordinate Mortgages are subordinate to the lien, covenants and conditions of the Senior Mortgage or (ii) further evidence the intent of this Agreement.

(e) **Amendment.** This Agreement shall not be amended except by written instrument signed by all parties hereto.

(f) **Governing Law.** This Agreement shall be governed by the laws of the State of California.

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

(h) **Term.** The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (i) the payment of all of

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the principal of, interest on and other amounts payable under the Senior Mortgage Loan Documents; (ii) the payment of all of the principal of, interest on and other amounts payable under the Subordinate Loan Documents, other than by reason of payments which the Subordinate Lender is obligated to remit to the County pursuant to Section 4 hereof; (iii) the acquisition by the County of title to the Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, the Senior Mortgage; or (iv) the acquisition by the Subordinate Lender of title to the Property pursuant to a foreclosure or a deed in lieu of foreclosure of, or the exercise of a power of sale contained in, one of the Subordinate Mortgages, but only if such acquisition of title does not violate any of the terms of this Agreement.

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

COUNTY:

[COUNTY OF ORANGE, a political subdivision of the state of California]

[ORANGE COUNTY HOUSING AUTHORITY,
Acting as the Housing Successor Agency to the
Orange County Development Agency]

By: _____
[NAME] [TITLE]

APPROVED AS TO FORM
COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA

By _____
Deputy

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BORROWER:

[SIGNATURE BLOCK TO BE PROVIDED BY BORROWER]

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SUBORDINATE LENDER
[SIGNATURE BLOCK TO BE PROVIDED BY
SUBORDINATE LENDER]

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EXHIBIT A
LEGAL DESCRIPTION
[TO BE PROVIDED]

EXHIBIT B
SUBORDINATE LOAN DOCUMENTS
[TO BE PROVIDED BY SUBORDINATE LENDER]