

This Instrument prepared by and after
recording mail to:

Richard M. Joseph
Miller, Hall & Triggs, LLC
416 Main Street, Suite 1125
Peoria, IL, 61611

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT ("*Subordination Agreement*"), made and effective as of [_____] __, 2023 ("*Closing Date*"), is entered into by and among **HORIZON BANK**, a Nebraska chartered bank, whose address is 10841 North 142nd Street, Post Office Box 447, Waverly, Nebraska 68462 ("*Senior Lender*"), **THE CITY OF OKLAHOMA CITY**, an Oklahoma municipal corporation (the "*Junior Lender*") whose address is 200 N. Walker Avenue Oklahoma City, Oklahoma 73102, and **AVALON AT OKLAHOMA CITY PHASE I, LIMITED PARTNERSHIP**, an Oklahoma limited partnership, having its principal office at c/o Domera Development, LLC, 3221 Cates Avenue N.E., Brookhaven, Georgia 30319 ("*Borrower*").

WITNESSETH:

WHEREAS, Borrower has entered into Loan Agreement with Senior Lender and Junior Lender as further defined below.

WHEREAS, the Senior Lender has entered into a Loan Agreement (Construction to Permanent) dated as of [_____] __, 2023 with the Borrower pursuant to which the Senior Lender has agreed to make a loan to the Borrower in the principal amount sum of Eight Million Two Hundred Thousand and 00/100 Dollars (\$8,200,000.00) (the "*Senior Loan*"). The proceeds of the Senior Loan are to be used for the financing and construction of improvements of real estate legally described on Exhibit A hereto and made a part hereof (the "*Land*") with improvements commonly known as Portland Place Apartments, located in Oklahoma City, Oklahoma (the "Improvements" and collectively with the Land, the "*Project*"). The Senior Loan is evidenced by the Promissory Note, dated as of even date herewith, executed by the Borrower in favor of the Senior Lender (the "*Senior Note*") and secured by the Senior Mortgage (as defined below) as defined in the Loan Agreement, by a first (1st) mortgage lien on the Project pursuant to that certain Mortgage, Assignment of Contracts, Leases, Security Agreement and Fixture Financing Statement dated as of even date herewith, executed by Borrower and intended to be recorded simultaneously herewith (the "*Senior Mortgage*").

WHEREAS, the Junior Lender has made a loan to the Borrower in an amount not to exceed Five Hundred Thousand and No/100 Dollars (\$500,000.00) (the "*Junior Loan*") for the purpose of financing, in part, the development and rehabilitation of the Project. The Junior Loan is evidenced by a Promissory

Note dated [____], executed by the Borrower in favor of the Junior Lender (the "**Junior Note**") and is secured by that certain Mortgage and Security Agreement, dated as of [____], executed by the Borrower and recorded in the Oklahoma County Clerk's Office (the "**Junior Mortgage**").

WHEREAS, Borrower has requested that Junior Lender subordinate its lien created by the Junior Mortgage, so that Borrower may obtain the Senior Loan from Senior Lender;

NOW, THEREFORE, in consideration of the above and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Senior Lender, Junior Lender, and Borrower agree as follows:

1. Junior Lender hereby subordinates its lien on the Project which was created by the Junior Mortgage and the rights, restrictions, agreements, requirements and covenants created and imposed by the Declaration of Affordability Requirements, dated as of [____], by Borrower in favor of Junior Lender (the "**Junior Regulatory Agreement**"), to Senior Lender's lien created by the Senior Mortgage. Junior Lender hereby expressly agrees that Senior Lender's lien created by the Senior Mortgage will be superior to and prior in dignity to the Junior Lender's lien created by the Junior Mortgage and the rights, restrictions, agreements, requirements and covenants created and imposed by the Junior Regulatory Agreement.

2. The amount of this subordination will not exceed the sum of Eight Million Two Hundred Thousand and 00/100 Dollars (\$8,200,000.00) plus unpaid interest accrued thereon in accordance with the Senior Loan Documents (the "**Subordination Amount**").

3. (a) Junior Lender agrees that it will not foreclose its Junior Mortgage, or accept a deed in lieu of foreclosure, while the Senior Loan is outstanding; provided, however, if (i) it has been ninety (90) days since the date the Senior Loan has matured pursuant to the terms of the Senior Mortgage and the documents executed in favor of Senior Lender in connection with the Senior Loan (the "Senior Loan Documents") and Senior Lender has not extended or otherwise agreed to forbear from enforcing its remedies under the Senior Loan Documents, (ii) the Senior Loan is in default beyond ninety (90) days and Senior Lender has failed to commence any enforcement action against Borrower, or (iii) Junior Lender has sent Senior Lender written notice of its intention to file a foreclosure action and the Senior Lender fails to respond to or object to Junior Lender within forty-five (45) days, Junior Lender may commence a foreclosure of its Junior Mortgage lien.

(b) If the Senior Mortgage is foreclosed, the sale proceeds from the foreclosure sale will be applied as follows: (a) to pay the actual costs of foreclosure, including reasonable and actual, out-of-pocket legal fees of Senior Lender; (b) to reimburse Senior Lender for any protective advance made in accordance with the respective loan documents to preserve the Project or the mortgage lien of the foreclosing lender; (c) to Senior Lender, until paid to the full extent of the Subordination Amount; and (d) to Junior Lender, until the Junior Loan is paid in full and all additional costs required to be paid under the Junior Loan Documents, with any balance to be distributed in accordance with law.

4. All notices will be sent to the following address:

If to Senior Lender: Horizon Bank
 10841 North 142nd Street,

Post Office Box 447,
Waverly, Nebraska 68462

With a copy to:

If to Junior Lender: The City of Oklahoma City
200 N. Walker, 3rd Floor
Oklahoma City, Oklahoma 73102
Attention: City Manager

with a copy to: Office of the City Clerk
200 N. Walker, 2nd Floor
Oklahoma City, Oklahoma 73102

and

Oklahoma City Planning Department
Housing and Community Development Division
420 W. Main Street, Suite 920
Oklahoma City, Oklahoma 73102
Attn: Principal Planner, Community Development

5. Senior Lender and Junior Lender shall each service and collect payments on their respective loans in accordance with their respective loan documents. Rent payments have been assigned to Senior Lender by Borrower and to Junior Lender by Borrower subject to the prior lien of Senior Lender. In the event collections received from the operation of the Project, whether prior to or after the occurrence of a default or the institution of foreclosure proceedings, are insufficient to pay both the payments then due under the Senior Lender's loan and the Junior Lender's loan, the collections shall be applied first to the amount then due on Senior Lender's loan with the balance, if any, applied to pay the amount then due on Junior Lender's loan to Borrower. After acceleration of maturity of either the Senior Note or the Junior Note, collections received from the operation of the Project may be applied to the payment of either Note in accordance with this Subordination Agreement. The application of said collections to either Note shall not operate to waive, negate or affect the prior acceleration of maturity of either Note.

6. (a) Junior Lender shall provide written notice to the Senior Lender of the occurrence of a default, which written notice shall be sent no later than 15 days after the Junior Lender has made a determination that a default has occurred. The written notice provided to the Senior Lender shall specify the nature of the default and what action, if any, the Junior Lender intends to take. Junior Lender shall promptly send to the Senior Lender a copy of any default notice or demand that it sends to Borrower and any modifications to the loan documents governing the Junior Loan.

(b) Senior Lender shall provide written notice to the Junior Lender of the occurrence of a default, which written notice shall be sent no later than 15 days after the Senior Lender has made a determination that a default has occurred; *provided, however*, the failure to provide such notice shall not

impair Senior Lender's rights to pursue any of its remedies against the Borrower available to it under the Senior Loan Documents. The written notice provided to the Junior Lender shall specify the nature of the default and what action, if any, the Senior Lender intends to take. Senior Lender shall promptly send to the Junior Lender a copy of any default notice and demand that it sends to Borrower and a copy of any amendments or modifications to the Senior Loan Documents.

7. This Subordination Agreement and the rights and obligations of the parties hereunder shall be governed by and construed and interpreted in accordance with the laws of the State of Oklahoma, to the extent such laws do not conflict with applicable federal law.

8. This Subordination Agreement shall be binding upon and inure to the benefit of heirs, executors, administrators, successors and assigns of the respective parties. There shall be no third party beneficiaries to this Subordination Agreement.

9. This Subordination Agreement may only be waived, discharged, modified, amended or terminated by mutual consent of the parties in writing.

10. This Subordination Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as duplicate originals and shall constitute and be but one and the same instrument.

*[SIGNATURE PAGE(S) AND EXHIBIT(S),
IF ANY, FOLLOW THIS PAGE]*

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

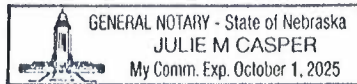
SENIOR LENDER:

HORIZON BANK,
a Nebraska chartered bank

By: Barbara Reuter
Name: BARBARA REUTER
Title: VICE PRESIDENT

STATE OF Nebraska)
COUNTY OF Lancaster)
: ss.

The foregoing instrument was acknowledged before me this 14th day of Nov., 2023, by Barbara Reuter.



Julie M. Casper
Notary Public

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

BORROWER:

AVALON AT OKLAHOMA CITY PHASE I, LIMITED PARTNERSHIP,
an Oklahoma limited partnership

By: Avalon Development at Oklahoma City Phase I GP, LLC,
an Oklahoma limited liability corporation,
its General Partner

By: Domera Holdings, LLC,
A Georgia limited liability company,
its Manager



By: Nathan Joseph

Its: Member

STATE OF Georgia)

) ss.

COUNTY OF Dekalb)

On this 14th day of November, 2023, before me, a Notary Public in and for said State and County, personally appeared Nathan Joseph, as Member of Domera Holdings, LLC, the Manager of Avalon Development at Oklahoma City Phase I GP, LLC, the General Partner of Avalon at Oklahoma City Phase I, Limited Partnership, personally known to me to be the person who executed the within instruments, and she acknowledged said instrument to be the free act and deed of said limited partnership.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.



D. Robinson, Notary Public

(Please Print Name)

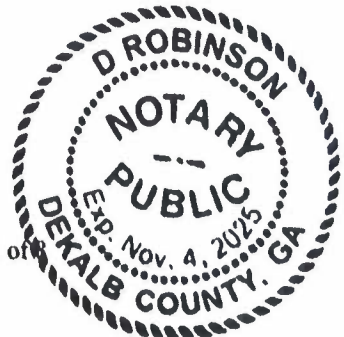


EXHIBIT A

LEGAL DESCRIPTION

A tract of land situated within the Southwest Quarter (SW/4) of Section Twenty-Three (23), Township Twelve (12) North, Range Three (3) West of the Indian Meridian, Oklahoma City, Oklahoma County, Oklahoma, being more particularly described by metes and bounds, as follows:

Commencing at the northwest corner of said SW/4; Thence S89°55'56"E along the north line of said SW/4 a distance of 1,307.69 feet; Thence S00°04'04"W perpendicular to said north line a distance of 32.01 feet to the point of beginning; Thence

S89°54'35"E a distance of 587.50 feet; Thence
S00°03'08"E a distance of 752.72 feet; Thence
S89°56'52"W a distance of 95.00 feet; Thence
S44°56'52"W a distance of 35.36 feet; Thence
S00°03'08"E a distance of 77.50 feet; Thence
S89°56'52"W a distance of 462.43 feet; Thence
N00°03'08"W a distance of 105.19 feet; Thence
S89°56'52"W a distance of 118.98 feet; Thence
N00°01'48"W a distance of 108.24 feet; Thence
N53°35'00"E a distance of 63.64 feet; Thence
S60°11'03"E a distance of 98.22 feet to a non-tangent curve to the right; Thence
88.11 feet along the arc of said curve having a radius of 125.00 feet, subtended by a chord of 86.30 feet which bears N50°00'31"E to a reverse curve; Thence
91.96 feet along the arc of said curve having a radius of 75.00 feet, subtended by a chord of 86.31 feet which bears N35°04'29"E; Thence
N00°03'08"W a distance of 157.38 feet; Thence S89°56'52"W a distance of 16.52 feet; Thence
N37°51'16"W a distance of 169.11 feet; Thence
N00°03'08"W a distance of 47.07 feet; Thence
N44°40'01"W a distance of 24.67 feet; Thence
N00°03'08"W a distance of 172.81 feet to the point of beginning.

Tax ID: 2691-13-336-0400