

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Contra Costa County
Department of Conservation and Development
30 Muir Road
Martinez, CA 94553
Attn: Assistant Deputy Director

No fee document pursuant to
Government Code Section 27383 and 27388.1

**SUBORDINATION AGREEMENT
(Legacy Court - Sponsor Loan)**

This Subordination Agreement (the "Agreement") is dated October __, 2024, and is by and among the County of Contra Costa, a political subdivision of the State of California (the "County"), Eden Housing, Inc. a California nonprofit public benefit corporation ("Eden"), Community Housing Development Corporation of North Richmond, a California nonprofit public benefit corporation ("CHDC" and along with Eden, the "Sponsor") and Legacy Court, L.P., a California limited partnership (the "Borrower"), with reference to the following facts:

RECITALS

- A. Defined terms used but not defined in these recitals are as defined in the County Loan Agreement.
- B. Borrower has acquired from CHDC that certain real property described as Parcels A, B, and C as shown on Parcel Maps MS_____-24, Filed _____, 2024 in Book_____ of Parcel Maps, Page _____ located at Fred Jackson Way between Willard Avenue and Duboce Avenue, City of Richmond, County of Contra Costa, State of California, as more particularly described in Exhibit A (the "Property"). Borrower intends to construct forty-three (43) housing units on the Property, forty-two (42) of which are for rental to extremely low, very low-, and low-income households, and one (1) manager's unit (the "Development").
- C. Eden provided Borrower a loan in the amount of [Three-Million Dollars (\$3,000,000)] (the "Eden Sponsor Loan"), evidenced by a Promissory Note executed by Borrower, dated October ____, 2024 (the "Eden Sponsor Note"), and is secured by a Deed of Trust with Assignment of Rents dated as of October ____, 2024, and recorded in the Official Records of the County of Contra Costa on ____, as Instrument No. ____ (the "Eden Sponsor Deed of Trust").
- D. CHDC provided Borrower a loan in the amount of [Seven Hundred Thirty-Four Thousand Seven Hundred Thirty-Two Dollars (\$734,732)] (the "CHDC Sponsor Loan"), evidenced by a Promissory Note executed by Borrower, dated October ____, 2024 (the

"CHDC Sponsor Note"), and is secured by a Deed of Trust with Assignment of Rents dated as of October ____, 2024, (the "CHDC Sponsor Deed of Trust"). All documents executed by Borrower and/or Sponsor in connection with Eden Sponsor Loan and the CHDC Sponsor Loan, including, but not limited to, the Eden Sponsor Note, the Eden Sponsor Deed of Trust, the CHDC Sponsor Note, and the CHDC Sponsor Deed of Trust, are collectively referred to as the "Sponsor Loan Documents."

- E. The County has agreed to provide a loan to Borrower comprised of Four Million Three Hundred Eighty-Two Thousand Forty-Seven Dollars (\$4,382,047) in HOME-ARP Funds, One Million Dollars (\$1,000,000) in PLHA Funds, and One Million Four Hundred Twenty-One Thousand Dollars (\$1,421,000) in Measure X Funds, for a total loan amount of Six Million Eight Hundred Three Thousand Forty-Seven Dollars (\$6,803,047) (the "County Loan").
- F. The County Loan is evidenced by the following documents: (i) a Development Loan Agreement between the County and Borrower dated ____, 2024 (the "County Loan Agreement"), (ii) a promissory note executed by Borrower dated ____, 2024 for the benefit of the County in the amount of the HOME-ARP Loan (the "HOME-ARP Note"), (iii) a promissory note executed by Borrower dated ____, 2024 for the benefit of the County in the amount of the PLHA Loan (the "PLHA Note"), (iv) a promissory note executed by Borrower dated ____, 2024 for the benefit of the County in the amount of the Measure X Loan (the "Measure X Note"), (v) a Deed of Trust with Assignment of Rents, Security Agreement, and Fixture Filing dated ____, 2024 among Borrower, as trustor, Old Republic Title Company, as trustee, and the County, as beneficiary, recorded against the Property concurrently herewith securing the County Loan (the "County Deed of Trust"), (vi) a County/PLHA/Measure X Regulatory Agreement and Declaration of Restrictive Covenants dated ____, 2024, between the County and Borrower recorded against the Property concurrently herewith (the "County/PLHA Regulatory Agreement"), (vii) a HOME/PLHA/Measure X Regulatory Agreement and Declaration of Restrictive Covenants dated ____, 2024, between the County and Borrower recorded against the Property concurrently herewith (the "HOME/PLHA/Measure X Regulatory Agreement"), and (viii) a Subordination and Intercreditor Agreement dated ____, 2024 among the County, the City of Richmond, and Borrower recorded against the Property concurrently herewith (the "Intercreditor Agreement"). All documents executed by Borrower in connection with the County Loan, including, but not limited to, the County Loan Agreement, the HOME-ARP Note, the Measure X Note, the PLHA Note, the County/PLHA/Measure X Regulatory Agreement, the HOME/PLHA/Measure X Regulatory Agreement, the Intercreditor Agreement, and the County Deed of Trust are collectively referred to as the "County Loan Documents".
- G. As a condition to making the County Loan, the County requires that the County Loan Documents be unconditionally and at all times remain a lien or charge upon the Property, prior and superior to all the rights of the Sponsor under the Sponsor Loan Documents, and that the Sponsor specifically and unconditionally subordinate the Eden Sponsor Deed of Trust and the CHDC Sponsor Deed of Trust (collectively, the "Sponsor Deeds of Trust") to the lien or charge of the County Loan Documents.

- H. It is to the mutual benefit of the parties that the County make the County Loan and the Sponsor and Borrower agree to the subordination in favor of the County.

NOW, THEREFORE, for valuable consideration and to induce the County to make the County Loan, the parties agree as follows:

AGREEMENT

- 1.1 The County Loan Documents will unconditionally be and at all times remain a lien or charge on the Property prior and superior to the Sponsor Loan Documents.
- 1.2 This Agreement is the whole agreement with regard to the subordination of the Sponsor Loan Documents to the lien or charge of the County Loan Documents.
- 1.3 The parties agree to cooperate with each other and perform any acts and execute, acknowledge and deliver any additional agreements, documents, or instruments that may be reasonably necessary or desirable to carry out the provisions or to effectuate the purpose of this Agreement, including, without limitation, execution, acknowledgment, delivery and recordation of any document necessary to clear title to the Property after a foreclosure under the County Deed of Trust, or a transfer of the Property by an assignment or a deed in lieu of foreclosure under the County Deed of Trust.
- 1.4 The Sponsor further declares, agrees, and acknowledges for the benefit of the County, that:
 - 1.4.1 The County, in making disbursements of the proceeds of the County Loan, is under no obligation or duty to, nor has County represented that it will, see to the application of such proceeds by the person or persons to whom the County disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in the County Loan Documents will not defeat the subordination made in this Agreement in whole or in part;
 - 1.4.2 The Sponsor intentionally and unconditionally subordinates all of its rights, titles and interests in and to the Property that result from the Sponsor Loan Documents, including the Sponsor Deeds of Trust, to the lien or charge of the County Loan Documents upon the Property and understands that in reliance upon, and in consideration of, this subordination, specific loans and advances are being and will be made by the County and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this subordination; and
 - 1.4.3 The Sponsor consents to the County Loan and the execution and delivery by Borrower to the County of the County Loan Documents.
- 1.5 If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions will continue in

full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

- 1.6 No alteration or variation of the terms of this Agreement is valid unless made in writing by the parties.
- 1.7 This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

[Signature Pages to Follow]

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

COUNTY:

COUNTY OF CONTRA COSTA, a political
subdivision of the State of California

By: _____
John Kopchik
Director, Department of Conservation
and Development

Approved as to form:

Thomas L. Geiger
Chief Assistant County Counsel

By: _____
Kathleen Andrus
Deputy County Counsel

EDEN:

Eden Housing, Inc., a California nonprofit
public benefit corporation

By: _____
Aruna Doddapaneni, Senior Vice President
of Development

CHDC:

Community Housing Development
Corporation of North Richmond, a California
nonprofit public benefit corporation

By: _____
Donald Gilmore, Executive Director

[signatures continue on following page]

PARTNERSHIP:

LEGACY COURT, L.P.,
a California limited partnership

By: Legacy Court LLC,
a California limited liability company,
its general partner

By: Eden Housing, Inc.
a California nonprofit public benefit corporation,
its managing member

By: _____
Aruna Doddapaneni,
Senior Vice President of Development

By: Community Housing Development Corporation
of North Richmond, a California nonprofit public
benefit corporation, its managing member

By: _____
Donald Gilmore, Executive Director

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, _____, 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.

Name: _____
Notary Public

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, _____,
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.

Name: _____
Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

The land referred to is situated in the County of Contra Costa, City of Richmond, State of California, and is described as follows: