

RECORDING REQUESTED PURSUANT  
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 for recording pursuant to  
Government Code Section 27383 and 27388.1

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SUBORDINATION AND INTERCREDITOR AGREEMENT  
(Mayfair)

This Subordination and Intercreditor Agreement (the "Agreement") is dated INSERT DATE and is among the County of Contra Costa, a political subdivision of the State of California (the "County"), the City of El Cerrito, a municipal corporation (the "City"), and Mayfair Affordable Housing, LP, a California limited partnership ("Borrower"), with reference to the following facts:

RECITALS

A. Defined terms used but not defined in these recitals are as defined in Section 1 of this Agreement or in the County Loan Agreement.

B. Concurrently herewith Borrower is acquiring from Mayfair Affordable LLC, that certain real property located at 11690 San Pablo Avenue, in the City of El Cerrito, County of Contra Costa, State of California, as more particularly described in Exhibit A (the "Property"). Borrower intends to construct sixty-nine (69) housing units on the Property, sixty-eight (68) of which are for rental to extremely low, very low, and low income households, and one (1) manager's unit (the "Development"). The Development, as well as all landscaping, roads and parking spaces on the Property and any additional improvements on the Property, are the "Improvements".

C. The County has agreed to provide a loan of PLHA Funds to Borrower in the amount of Two Million Seven Hundred Sixty-Six Thousand One Hundred Forty-Two Dollars (\$2,766,142) (the "PLHA Loan"), and a loan of HOME Funds to Borrower in the amount of Four Million One Hundred Ninety-Seven Thousand Five Hundred Dollars (\$4,197,500) (the "HOME Loan"), for a total loan amount of Six Million Nine Hundred Sixty-Three Thousand Six Hundred Forty-Two Dollars (\$6,963,642) (the "County Loan").

D. The County Loan is evidenced by the following documents: (i) a Development Loan Agreement between the County and Borrower of even date herewith (the "County Loan Agreement"), (ii) a promissory note executed by Borrower of even date herewith for the benefit of the County in the amount of the HOME Loan (the "HOME Note"), (iii) a promissory note

executed by Borrower of even date herewith for the benefit of the County in the amount of the PLHA Loan (together with the HOME Note, the "County Notes"), (iii) a Deed of Trust with Assignment of Rents, Security Agreement, and Fixture Filing of even date herewith 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"), (iv) a County/PLHA Regulatory Agreement and Declaration of Restrictive Covenants of even date herewith, between the County and Borrower recorded against the Property concurrently herewith (the "County/PLHA Regulatory Agreement"), and (v) a HOME/PLHA Regulatory Agreement and Declaration of Restrictive Covenants of even date herewith, between the County and Borrower recorded against the Property concurrently herewith (the "HOME/PLHA Regulatory Agreement"). The County Deed of Trust, the County/PLHA Regulatory Agreement, and the HOME/PLHA Regulatory Agreement are collectively referred to as the "County Recorded Documents."

E. The City has agreed to provide two loans to Borrower, one in the amount of Three Hundred Fifty Thousand Dollars (\$350,000) (the "City Predevelopment Loan"), and one in the amount of Five Hundred Thousand Dollars (\$500,000) (the "City HOPE VI Loan") for a total loan amount of Eight Hundred Fifty Thousand Dollars (\$850,000) (the "City Loan").

F. The City Predevelopment Loan is evidenced by the following documents (among others): (i) a loan agreement dated January 1, 2020 between the City and Mayfair Affordable LLC (as amended to date, the "City Predevelopment Loan Agreement"), (ii) a Construction and Permanent Deed of Trust and Security Agreement dated January 1, 2020, executed by Mayfair Affordable LLC and recorded against the Property on January 28, 2020 as instrument number 2020-0017022 (the "City Predevelopment Deed of Trust"), and (iii) a promissory note dated January 1, 2020, executed by Mayfair Affordable LLC (the "City Predevelopment Note"), both assigned to Borrower pursuant to an assignment and assumption agreement.

G. The City HOPE VI Loan is evidenced by the following documents (among others): (i) a loan agreement dated of even date herewith between the City and Borrower (together with the Predevelopment Loan Agreement, the "City Loan Agreements") (ii) a Deed of Trust and Security Agreement among Borrower, as trustor, Old Republic Title Company, as trustee, and the City, as beneficiary, recorded against the Property concurrently herewith securing the City HOPE VI Loan (the "City HOPE VI Deed of Trust"), and (iii) a promissory note executed by Borrower of even date herewith for the benefit of the City in the amount of the City HOPE VI Loan (the "City HOPE VI Note", and together with the City Predevelopment Note, the "City Notes"). The City Predevelopment Deed of Trust and the City HOPE VI Deed of Trust are collectively referred to as the "City Recorded Documents."

H. The City and the County desire to (i) subordinate the City Recorded Documents to the County Recorded Documents, and (iii) divide the Lenders' Share of Residual Receipts and Local Lenders' Share of Residual Receipts, as described herein.

NOW, THEREFORE, the Parties agree as follows:

#### AGREEMENT

1. Definitions. The following terms have the following meanings:

- (a) "Annual City Loan Payment" has the meaning in Section 2(b).
- (b) "Annual County Loan Payment" has the meaning in Section 2(a).
- (c) "Annual Operating Expenses" means for each calendar year, the following costs reasonably and actually incurred for operation and maintenance of the Development:
  - i. property taxes and assessments imposed on the Development;
  - ii. debt service and servicing fees currently due on a non-optional basis (excluding debt service due from residual receipts or surplus cash of the Development) on the Tax-Exempt Permanent Loan;
  - iii. on-site service provider fees for tenant social services, provided the County and City have approved, in writing, the plan and budget for such services before such services begin;
  - iv. fees paid to the Governmental Lender;
  - v. payment to HCD of a portion of the accrued interest on the HCD AHSC Loan pursuant to California Code of Regulations, Title 25, Section 7308;
  - vi. property management fees and reimbursements, on-site property management office expenses, and salaries of property management and maintenance personnel, not to exceed amounts that are standard in the industry and which are pursuant to a management contract approved by the County and the City;
  - vii. the Partnership Management/Asset Fee;
  - viii. fees for accounting, audit, and legal services incurred by Borrower's general partner in the asset management of the Development, not to exceed amounts that are standard in the industry, to the extent such fees are not included in the Partnership Management/Asset Fee;
  - ix. premiums for insurance required for the Improvements to satisfy the requirements of any lender of Approved Financing;
  - x. utility services not paid for directly by tenants, including water, sewer, and trash collection;
  - xi. maintenance and repair expenses and services;
  - xii. any annual license or certificate of occupancy fees required for operation of the Development;
  - xiii. security services;

- xiv. advertising and marketing;
- xv. cash deposited into the Replacement Reserve Account in the amount set forth in Section 4.2(a) of the County Loan Agreement;
- xvi. cash deposited into the Operating Reserve Account to maintain the amount set forth in Section 4.2(b) of the County Loan Agreement (excluding amounts deposited to initially capitalize the account);
- xvii. payment of any previously unpaid portion of Priority Portion of Developer Fee (without interest), not to exceed the amount set forth in Section 3.18 of the County Loan Agreement;
- xviii. extraordinary operating costs specifically approved in writing by the County and the City;
- xix. the HOME Monitoring Fee; and
- xx. payments of deductibles in connection with casualty insurance claims not normally paid from reserves, the amount of uninsured losses actually replaced, repaired or restored, and not normally paid from reserves, and other ordinary and reasonable operating expenses approved in writing by the County and the City and not listed above.

Annual Operating Expenses do not include the following: depreciation, amortization, depletion or other non-cash expenses, initial deposits to capitalize a reserve account, any amount expended from a reserve account, and any capital cost associated with the Development.

(d) "Approved Financing" means all of the following loans, grants, equity, and operating subsidy obtained by Borrower and approved by the County and the City for the purpose of financing the acquisition of the Property and construction of the Development in addition to the County Loan and the City Loan:

- i. tax- exempt construction/permanent loan from County of Contra Costa California (in such capacity, the "Governmental Lender") to Borrower, in the maximum aggregate principal amount of Thirty-Five Million One Hundred Forty-One Thousand Five Hundred Seventy-Seven Dollars (\$35,141,577) (the "Tax Exempt Construction Loan") made with the proceeds of a separate funding loan, with matching economic terms, being made to the Governmental Lender pursuant to the Funding Loan Agreement dated as of [May \_\_, 2024] by and among Funding Lender, the Governmental Leader, and U.S. Bank Trust Company, National Association, as Fiscal Agent, which funding loan is evidenced by the County of Contra Costa, California Multifamily Housing Revenue Note (Mayfair Affordable Apartments), 2024 Series A dated [May \_\_, 2024](the "Governmental Note"), which Tax-Exempt Construction Loan will convert to a permanent loan in the approximate amount of Six Million Two Hundred Twenty-Three Thousand Ninety-Eight Dollars (\$6,223,098) (the "Tax-Exempt Permanent Loan");

- ii. Infill Infrastructure Grant funds from HCD in the amount of Four Million One Hundred Ninety-Seven Thousand Five Hundred Dollars (\$4,197,500) to be loaned

by BRIDGE to Borrower (the "Sponsor IIG Loan");

iii. Affordable Housing Sustainable Communities HRI grant funds from HCD in the amount of Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000), to be loaned by BRIDGE to Borrower (the "Sponsor AHSC Loan");

iv. Loan from Borrower's general partner in the approximate amount of Five Hundred Thousand Dollars (\$500,000) (the "GP Loan");

v. permanent loan of Affordable Housing Sustainable Communities AHD funds from HCD in the amount of Fourteen Million Nine Hundred Seventy-Two Thousand Three Hundred Seventy-Two Dollars (\$14,972,372) (the "HCD AHSC Loan");

vi. Low Income Housing Tax Credit investor equity funds in the approximate amount of Thirty-Two Million One Hundred Fifty-One Thousand Ninety-Eight Dollars (\$32,151,098) provided by the Investor Limited Partner (the "Tax Credit Investor Equity"); and

vii. capital contribution from Borrower's general partner in the approximate amount Two Million Thirty-Six Thousand One Hundred Five Dollars (\$2,036,105) consisting of One Million Dollars (\$1,000,000) of recontributed developer fee and One Million Thirty-Six Thousand One Hundred Five Dollars (\$1,036,105) as the value of donated land (collectively, the "GP Capital Contribution").

(e) "Available Net Proceeds" means the result obtained by multiplying the Net Proceeds of Permanent Financing by 0.75.

(f) "Bank" means BMO Bank N.A., and its successors and assigns.

(g) "BRIDGE" means BRIDGE Housing Corporation, a California nonprofit public benefit corporation.

(h) "Borrower" has the meaning set forth in the first paragraph of this Agreement.

(i) "City" has the meaning set forth in the first paragraph of this Agreement.

(j) "City Additional Prorata Share" means the result obtained by dividing the City Loan by the sum of the County Loan and the City Loan, to the extent all such funds are disbursed.

(k) "City Loan" has the meaning set forth in Paragraph E of the Recitals.

(l) "City Loan Agreements" has the meaning set forth in Paragraph G of the Recitals.

(m) "City Notes" has the meaning set forth in Paragraph G of the Recitals.

(n) "City Prorata Percentage" means the result, expressed as a percentage,

obtained by dividing the City Loan minus any Special City Loan Repayment, by the sum of (i) the County Loan minus any Special County Loan Repayment, (ii) the City Loan minus any Special City Loan Repayment, (iii) the HCD AHSC Loan, and (iv) solely for the purposes of calculating the percentage attributable to HCD, and not for purposes of repayment, the Sponsor AHSC Loan and the Sponsor IIG Loan, to the extent all such funds are disbursed.

(o) "City Recorded Documents" has the meaning set forth in Paragraph G of the Recitals.

(p) "County" has the meaning set forth in the first paragraph of this Agreement.

(q) "County Additional Prorata Share" means the result obtained by dividing County Loan by the sum of the County Loan and the City Loan, to the extent all such funds are disbursed.

(r) "County Loan" has the meaning set forth in Paragraph C of the Recitals.

(s) "County Loan Agreement" has the meaning set forth in Paragraph C of the Recitals.

(t) "County Prorata Percentage" means the result, expressed as a percentage, obtained by dividing the County Loan minus any Special County Loan Repayment, by the sum of (i) the County Loan minus any Special County Loan Repayment, (ii) the City Loan minus any Special City Loan Repayment, (iii) the HCD AHSC Loan, and (iv) solely for the purposes of calculating the percentage attributable to HCD, and not for purposes of repayment, the Sponsor AHSC Loan and the Sponsor IIG Loan, to the extent all such funds are disbursed.

(u) "County Notes" has the meaning set forth in Paragraph C of the Recitals.

(v) "County Recorded Documents" has the meaning set forth in Paragraph C of the Recitals.

(w) "Default Rate" means a rate of interest equal to the lesser of the maximum rate permitted by law and ten percent (10%) per annum.

(x) "Development" has the meaning set forth in Paragraph B of the Recitals.

(y) "Fifteen Year Compliance Period" means the fifteen (15)-year compliance period as described in Section 42(i)(1) of the Internal Revenue Code of 1986, as amended.

(z) "Final Cost Certification" means the Final Cost Certification Sources and Uses of Funds prepared by Borrower for the Development that (1) Borrower submits to the California Tax Credit Allocation Committee, and (2) has been prepared using generally accepted accounting standards in effect in the United States of America from time to time, consistently applied.

(aa) "Final Development Cost" means the total of the cost of acquisition and construction of the Development as shown on the Final Cost Certification.

(bb) "Funding Lender" means any Person who is the holder of the Governmental Note, initially the Bank and, from and after Permanent Conversion, Walker & Dunlop, LLC, and Freddie Mac, and any successors or assigns thereof.

(cc) "Governmental Lender" has the meaning set forth in Section 1.1(d)(i).

(dd) "GP Capital Contribution" has the meaning set forth in Section 1.1(d)(viii).

(ee) "GP Loan" has the meaning set forth in Section 1(d)(iv).

(ff) "Gross Revenue" means for each calendar year, all revenue, income, receipts, and other consideration actually received from the operation and leasing of the Development. Gross Revenue includes, but is not limited to:

- i. all rents, fees and charges paid by tenants;
- ii. Section 8 payments and other rental or operating subsidy payments received for the dwelling units;
- iii. deposits forfeited by tenants;
- iv. all cancellation fees;
- v. price index adjustments and any other rental adjustments to leases or rental agreements;
- vi. net proceeds from vending and laundry room machines;
- vii. the proceeds of business interruption or similar insurance not paid to senior lenders;
- viii. the proceeds of casualty insurance not used to rebuild the Development and not paid to senior lenders; and
- ix. condemnation awards for a taking of part or all of the Development for a temporary period.

Gross Revenue does not include tenants' security deposits, loan proceeds, unexpended amounts (including interest) in any reserve account, required deposits to reserve accounts, capital contributions or similar advances.

(gg) "HCD" means the California Department of Housing and Community Development.

- (hh) "HCD AHSC Loan" has the meaning set forth in Section 1.1(d)(v).
- (ii) "HOME Funds" means Home Investment Partnerships Act funds provided from HUD to the County pursuant to the Cranston-Gonzales National Housing Act of 1990.
- (jj) "HOME Loan" has the meaning set forth in Paragraph C of the Recitals.
- (kk) "HOME Monitoring Fee" has the meaning set forth in Section 3.20 of the County Loan Agreement.
- (ll) "HUD" has the meaning set forth in Paragraph B of the Recitals.
- (mm) "Improvements" has the meaning set forth in Paragraph B of the Recitals.
- (nn) "Investor Limited Partner" means, Wincopin Circle LLLP, a Maryland limited liability limited partnership, and its permitted successors and assigns.
- (oo) "Lenders' Share of Residual Receipts" means fifty percent (50%) of Residual Receipts.
- (pp) "Local Lenders" means the City and the County.
- (qq) "Local Lenders' Share of Residual Receipts" means twenty-five percent (25%) of Residual Receipts.
- (rr) "Net Proceeds of Permanent Financing" means the amount by which Permanent Financing exceeds the Final Development Costs.
- (ss) "Parties" means the City, the County, and Borrower.
- (tt) "Partnership Agreement" means the agreement between Borrower's general partner and the Investor Limited Partner that governs the operation and organization of Borrower as a California limited partnership.
- (uu) "Partnership Management/Asset Fee" means (i) partnership management fees (including any asset management fees) payable pursuant to the Partnership Agreement to any partner of Borrower during the Fifteen Year Compliance Period, and (ii) after the expiration of the Fifteen Year Compliance Period asset management fees payable to the partners of Borrower, in the amounts approved by the County as set forth in Section 3.19 of the County Loan Agreement and by the City if such fees exceed the amounts set forth in Section 2.7(b)(ii) of the City Predevelopment Loan Agreement.
- (vv) "Permanent Conversion" means the date the Tax-Exempt Construction Loan converts to the Tax-Exempt Permanent Loan.
- (ww) "Permanent Financing" means the sum of the following amounts: (i) the County Loan; (ii) the City Loan; (iii) the HCD AHSC Loan; (iv) the Tax-Exempt Permanent



Loan; (v) the Sponsor IIG Loan; (vi) the Sponsor AHSC Loan; (vii) the GP Loan; (vii) the Tax Credit Investor Equity; and (viii) the GP Capital Contribution.

(xx) "PLHA Funds" means Permanent Local Housing Allocation funds received by the County from the California Department of Housing and Community Development ("HCD"), pursuant to Part 2 Chapter 2.5 of Division 31 of the Health and Safety Code (commencing with Section 50470) Statutes of 2017 (SB 2, Atkins), a Notice of Funding Availability issued by HCD, dated February 26, 2020, and a Standard Agreement Number 21-PLHA-17157 between the County and HCD.

(yy) "PLHA Note" has the meaning set forth in Paragraph C of the Recitals.

(zz) "Priority Portion of Developer Fee" has the meaning set forth in Section 3.18 of the County Loan Agreement.

(aaa) "Property" has the meaning set forth in Paragraph B of the Recitals.

(bbb) "Residual Receipts" means for each calendar year, the amount by which Gross Revenue exceeds Annual Operating Expenses.

(a) "Special City Loan Payment" has the meaning in Section 3(b).

(b) "Special County Loan Payment" has the meaning set forth in Section 3(a).

(c) "Sponsor AHSC Loan" has the meaning set forth in Section 1(d)(iii).

(d) "Sponsor IIG Loan" has the meaning set forth in Section 1(d)(ii).

(e) "Statement of Residual Receipts" means an itemized statement of Residual Receipts.

(f) "Tax Credit Investor Equity" has the meaning set forth in Section 1.1(d)(vi).

(g) "Tax-Exempt Construction Loan" has the meaning set forth in Section 1.1(d)(i).

(h) "Tax-Exempt Permanent Loan" has the meaning set forth in Section 1.1(d)(i).

(i) "Term" means the period of time that commences on the date of this Agreement, and expires, unless sooner terminated in accordance with this Agreement, on the fifty-fifth (55<sup>th</sup>) anniversary of the Permanent Conversion; provided, however, if a record of the Permanent Conversion cannot be located or established, the Term will expire on the fifty-seventh (57<sup>th</sup>) anniversary of this Agreement.

## 2. Annual Payments to County and City.

### (a) County Loan.

i. Commencing on May 15, 2027, and on May 15 of each year

thereafter during the Term, Borrower shall make a loan payment to the County in an amount equal to the sum of (1) the County Prorata Percentage of the Lenders' Share of Residual Receipts, and (2) the result obtained by multiplying the County Additional Prorata Share by the Local Lenders' Share of Residual Receipts (each such payment, an "Annual County Loan Payment"). The County shall apply all Annual County Loan Payments to the County Loan as follows: (1) first, to accrued interest, and (2) second, to principal.

ii. Borrower shall repay the County Loan pursuant to the terms of the County Loan Agreement and the County Notes. In the event of any conflict between the repayment terms and provisions of the County Loan Agreement and this Agreement, the provisions of this Agreement apply. The County may not consent to any amendment or waiver of the terms of the County Loan Agreement or the County Notes if such amendment or waiver could reasonably be deemed to materially adversely affect the City, without the City's prior written approval, which the City may withhold in its sole discretion.

(b) City Loan.

i. Commencing on May 15, 2027, and on May 15 of each year thereafter during the Term, Borrower shall make a loan payment to the City in an amount equal to the sum of (1) the City Prorata Percentage of the Lenders' Share of Residual Receipts, and (2) the result obtained by multiplying the City Additional Prorata Share by the Local Lenders' Share of Residual Receipts (each such payment, an "Annual City Loan Payment"). The City shall apply all Annual City Loan Payments to the City Loan as follows: (1) first, to accrued interest, and (2) second, to principal for the City Loan.

ii. Borrower shall repay the City Loan pursuant to the terms of the City Loan Agreements and the City Notes. In the event of any conflict between the repayment terms of the City Loan Agreements City Notes, and this Agreement, the provisions of this Agreement apply. The City may not consent to any amendment or waiver of the terms of the City Loan Agreements or the City Notes, if such amendment or waiver could reasonably be deemed to materially adversely affect the County, without the County's prior written approval, which the County may withhold in its sole discretion.

3. Special Repayment from Net Proceeds of Permanent Financing.

(a) To the extent consistent with the regulations applicable to the HCD AHSC Loan, no later than ten (10) days after the date Borrower receives its final capital contribution from the Investor Limited Partner, Borrower shall pay to the County as a special repayment of the County Loan, an amount equal to the result obtained by multiplying the County Additional Prorata Percentage by the Available Net Proceeds (the "Special County Loan Payment").

(b) To the extent consistent with the regulations applicable to the HCD AHSC Loan, no later than ten (10) days after the date Borrower receives its final capital contribution from the Investor Limited Partner, Borrower shall pay to the City as a special repayment of the City Loan, an amount equal to the result obtained by multiplying the City Additional Prorata Percentage by the Available Net Proceeds (the "Special City Loan Payment").

(c) No later than one hundred eighty (180) days following completion of

construction of the Development, Borrower shall submit to the County and the City a preliminary calculation of the Net Proceeds of Permanent Financing and a draft of the Final Cost Certification. The County and the City shall approve or disapprove Borrower's determination of the amount of the Net Proceeds of Permanent Financing in writing within thirty (30) days of receipt. If Borrower's determination is disapproved by the County or the City, Borrower shall re-submit documentation to the County and the City until approval of the County and the City is obtained.

4. Reports and Accounting of Residual Receipts.

(a) Annual Reports. In connection with the Annual County Loan Payment and the Annual City Loan Payment, Borrower shall furnish to the City and the County:

i. The Statement of Residual Receipts for the relevant period. The first Statement of Residual Receipts will cover the period that begins on January 1, 2026 and ends on December 31st of that same year. Subsequent statements of Residual Receipts will cover the twelve-month period that ends on December 31 of each year;

ii. A statement from the independent public accountant that audited Borrower's financial records for the relevant period, which statement must confirm that Borrower's calculation of the Lenders' Share of Residual Receipts and Local Lenders' Portion of Residual Receipts is accurate based on Operating Income and Annual Operating Expenses; and

iii. Any additional documentation reasonably required by the County or the City to substantiate Borrower's calculation of Lenders' Share of Residual Receipts and Local Lenders' Share of Residual Receipts.

(b) Books and Records. Borrower shall keep and maintain at the principal place of business of Borrower set forth in Section 7 below, or elsewhere with the written consent of the County and the City, full, complete and appropriate books, record and accounts relating to the Development, including all books, records and accounts necessary or prudent to evidence and substantiate in full detail Borrower's calculation of Residual Receipts and disbursements of Residual Receipts. Borrower shall cause all books, records and accounts relating to its compliance with the terms, provisions, covenants and conditions of this Agreement to be kept and maintained in accordance with generally accepted accounting principles consistently applied, and to be consistent with requirements of this Agreement, which provide for the calculation of Residual Receipts on a cash basis. Borrower shall cause all books, records, and accounts to be open to and available for inspection by the County and the City, their auditors or other authorized representatives at reasonable intervals during normal business hours. Borrower shall cause copies of all tax returns and other reports that Borrower may be required to furnish to any government agency to be open for inspection by the County and the City at all reasonable times at the place that the books, records and accounts of Borrower are kept. Borrower shall preserve records on which any statement of Residual Receipts is based for a period of not less than five (5) years after such statement is rendered, and for any period during which there is an audit undertaken pursuant to subsection (c) below then pending.

(c) County and City Audits.

i. The receipt by the County or the City of any statement pursuant to subsection (a) above or any payment by Borrower or acceptance by the County or the City of any loan repayment for any period does not bind the County or the City as to the correctness of such statement or such payment. The County or the City or any designated agent or employee of the County or the City is entitled at any time to audit the Residual Receipts and all books, records, and accounts pertaining thereto. The County and/or the City may conduct such audit during normal business hours at the principal place of business of Borrower and other places where records are kept. Immediately after the completion of an audit, the County or the City, as the case may be, shall deliver a copy of the results of the audit to Borrower.

ii. If it is determined as a result of an audit that there has been a deficiency in a loan repayment to the County and/or the City, then such deficiency will become immediately due and payable, with interest at the Default Rate from the date the deficient amount should have been paid. In addition, if the audit determines that Residual Receipts have been understated for any year by the greater of (i) \$2,500, and (ii) an amount that exceeds five percent (5%) of the Residual Receipts, then, in addition to paying the deficiency with interest, Borrower shall pay all of the costs and expenses connected with the audit and review of Borrower's accounts and records incurred by the County and/or the City.

5. Subordination.

(a) The County Recorded Documents will unconditionally be and at all times remain a lien or charge on the Property prior and superior to the City Recorded Documents.

(b) The City intentionally and unconditionally subordinates all of its rights, titles and interests in and to the Property that result from the City Recorded Documents, to the lien or charge of the County Recorded Documents upon the Property and understands that in reliance upon, and in consideration of, this subordination, specific loan modifications 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.

6. Notice of Default. The County and the City shall each notify the other promptly upon declaring a default or learning of the occurrence of any material event of default, or any event which with the lapse of time would become a material event of default, under its respective loan documents for the City Loan and the County Loan.

7. Notices. All notices required or permitted by any provision of this Agreement must be in writing and sent by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the Parties as follows:

City: City of El Cerrito  
10890 San Pablo Avenue  
El Cerrito, CA 94530  
Attn: City Manager

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

Borrower: Mayfair Affordable Housing LP  
c/o BRIDGE Housing Corporation  
600 California St #900  
San Francisco, CA 94108  
Attn: General Counsel

Investor Limited Partner: Wincopin Circle LLLP  
c/o Enterprise Community Asset Management, Inc.  
70 Corporate Center  
11000 Broken Land Parkway, Suite 700  
Columbia, Maryland 21044  
Attention: Asset Management

With a copy to:  
Email: lmanley@enterprisecommunity.com  
Attn: Chief Legal Officer

With a copy to:  
Kenneth S. Gross, Esq.  
Gallagher Evelius & Jones LLP  
218 North Charles Street, Suite 400  
Baltimore, Maryland 21201

Such written notices, demands, and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate as provided in this Section. Receipt will be deemed to have occurred on the date marked on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable).

8. Titles. Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and are to be disregarded in interpreting any part of the Agreement's provisions.

9. California Law. This Agreement is governed by the laws of the State of California.

10. Severability. 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.

11. Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties with respect to the subordination of the City Recorded Documents to the lien or charge of the County Recorded Documents and the division of the Lenders' Share of Residual Receipts, and Local Lenders' Share of Residual Receipts between the City and the County.

12. Counterparts. This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

13. Amendments. This Agreement may not be modified except by written instrument executed by and amongst the Parties.

*[Remainder of Page Left Intentionally Blank]*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

**BORROWER:**

MAYFAIR AFFORDABLE HOUSING LP,  
a California limited partnership

By: Mayfair Affordable 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: \_\_\_\_\_  
Smitha Seshadri  
Executive Vice President

**APPROVED AS TO FORM:**

THOMAS L. GEIGER  
County Counsel

By: \_\_\_\_\_  
Kathleen Andrus  
Deputy County Counsel

**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:**

By: \_\_\_\_\_

**CITY:**

CITY OF EL CERRITO, a California municipal  
corporation

By: \_\_\_\_\_  
Karen Pinkos, City Manager

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 \_\_\_\_\_ )

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WITNESS my hand and official seal.

Name: \_\_\_\_\_  
Notary Public

EXHIBIT A  
LEGAL DESCRIPTION OF THE PROPERTY

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

PARCEL A:

BEING ALL OF PARCELS 1 AND 2 AND A PORTION OF PARCEL 3 AS SAID PARCELS ARE DESCRIBED IN THE GRANT DEED TO THE EL CERRITO MUNICIPAL SERVICES CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, RECORDED JANUARY 20, 2012, AS DOCUMENT NUMBER 2012-0014458-00, CONTRA COSTA COUNTY RECORDS, AND BEING ALSO LOTS 17, 18, 19 AND 20 AND PORTIONS OF LOTS 12 THROUGH 16, INCLUSIVE, AND A PORTION OF LOT 21, ALL IN BLOCK 2, AS SAID LOTS AND BLOCK ARE SHOWN ON THAT CERTAIN MAP ENTITLED "RICHMOND JUNCTION", FILED MAY 6, 1913, IN BOOK 9 OF MAPS AT PAGE 221 (9 M 221), IN THE OFFICE OF THE RECORDER OF CONTRA COSTA COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 17 (9 M 221) ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF KEARNEY STREET (50 FOOT WIDE RIGHT OF WAY) AS SAID STREET IS SHOWN ON SAID MAP (9 M 221); THENCE ALONG SAID SOUTHWESTERLY RIGHT OF WAY LINE SOUTH 28° 00' 21" EAST 119.72 FEET; THENCE LEAVING THE LAST SAID LINE SOUTH 61° 59' 39" WEST 176.45 FEET TO THE NORTHEASTERLY RIGHT OF WAY LINE OF SAN PABLO AVENUE (100 FOOT WIDE RIGHT OF WAY AS SAID RIGHT OF WAY IS DESCRIBED IN THE FINAL ORDER OF CONDEMNATION RECORDED NOVEMBER 6, 1995, AS DOCUMENT NUMBER 95-193521, CONTRA COSTA COUNTY RECORDS; THENCE ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE AND THE NORTHEASTERLY RIGHT OF WAY LINE OF SAID SAN PABLO AVENUE AS DESCRIBED IN THE GRANT DEED RECORDED FEBRUARY 17, 1994, AS DOCUMENT NUMBER 94-046446, CONTRA COSTA COUNTY RECORDS THE FOLLOWING FOUR (4) COURSES: 1) NORTH 28° 55' 10" WEST 107.14 FEET; 2) NORTH 62° 01' 02" EAST 1.98 FEET TO A POINT ON A CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 10.00 FEET, FROM WHICH THE CENTER BEARS NORTH 62° 01' 02" EAST; 3) NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 00' 00", AN ARC DISTANCE OF 15.71 FEET; 4) NORTH 27° 58' 58" WEST 2.60 FEET TO THE SOUTHEASTERLY RIGHT OF WAY LINE OF KNOTT AVENUE (FORMERLY RICHMOND BOULEVARD) (60 FOOT WIDE RIGHT OF WAY) AS SAID BOULEVARD IS SHOWN ON SAID MAP (9 M 221); THENCE ALONG THE LAST SAID LINE NORTH 61° 59' 39" EAST 166.18 FEET TO THE POINT OF BEGINNING.

ALSO SHOWN AS PARCEL A (ADJUSTED PARCEL), THIS LEGAL IS MADE PURSUANT TO LOT LINE ADJUSTMENT RECORDED DECEMBER 7, 2018 AS INSTRUMENT NO. 2018-196518 AND GRANT DEED, RECORDED DECEMBER 7, 2018 AS INSTRUMENT NO. 2018-196519, BOTH OF OFFICIAL RECORDS.

PARCEL B:

A NON-EXCLUSIVE, RECIPROCAL, EASEMENT FOR PEDESTRIAN INGRESS AND EGRESS AND RIGHT OF UNOBSTRUCTED PASSAGE, AS DESCRIBED IN THAT CERTAIN "RECIPROCAL EASEMENT, JOINT USE AND MAINTENANCE AGREEMENT", RECORDED MAY 1, 2019 AS INSTRUMENT NO. 2019-0061854, OFFICIAL RECORDS.

APN: 502-062-031-5