

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Riverside County  
Housing and Workforce Solutions  
3403 10th Street, Suite 300  
Riverside, CA 92501  
Attention: Juan Garcia

No fee for recording pursuant to  
Government Code Section 27383 and 27388.1

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(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

**SUBORDINATION AGREEMENT**

(County – City – Coachella Valley I Apartments, n/k/a Placita Dolores Huerta)

**NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN SOME OTHER RESTRICTIVE COVENANT.**

THIS SUBORDINATION AGREEMENT (the "Agreement") is made as of August 1, 2023, by and among CVDH LP, a California limited partnership ("Borrower"), the County of Riverside, a political subdivision of the State of California (the "County"), and the City of Coachella, a California municipal corporation (the "City").

RECITALS

A. Borrower and the County previously entered into that certain Loan Agreement for the Use HOME Program Funds (Coachella Valley I Apartments) (the "County HOME Loan Agreement") dated April 26, 2022, recorded in the Official Records of Riverside County ("Official Records") as Document Number 2022-0200899, pursuant to which the County agreed to provide a loan to Borrower in the amount of One Million Dollars (\$1,000,000) (the "County HOME Loan") to partially finance Borrower's construction of fifty-five (55) units of affordable rental housing and one (1) manager's unit on certain real property located in the City of Coachella, County of Riverside, State of California, as more particularly described in Exhibit A (the "Property"). The County HOME Loan is evidenced by a Promissory Note in the amount of the County HOME Loan (the "County HOME Note") dated as of April 26, 2022, and secured by a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of April 26, 2022, naming Borrower as trustor, the County as beneficiary and First American Title Company, as trustee (the "County HOME Deed of Trust"), recorded in the Official Records as Document Number 2022-02011994. In connection with the County Loan, the County and Borrower also executed a Covenant Agreement (Coachella Valley I Apartments) (the "County HOME Covenant") dated as of April 26, 2022 and recorded in the Official Records as Document Number 2022-0200238. The County HOME Loan Agreement, the County HOME Deed of Trust,

and the County HOME Covenant Agreement collectively constitute the "County HOME Loan Documents."

B. Borrower and the County entered into that certain Loan Agreement for the Use of American Rescue Plan Act (ARPA) Funds (Coachella Valley I Apartments, n/k/a Placita Dolores Huerta) (the "County ARPA Loan Agreement") dated August 1, 2023, pursuant to which the County agreed to provide a loan to Borrower in the amount of Three Million Five Hundred Thousand Dollars (\$3,500,000) (the "County ARPA Loan"). The County ARPA Loan will be used to supplement the construction financing for the Property.

C. The County ARPA Loan is evidenced by a Promissory Note in the amount of the County ARPA Loan (the "County Note") dated as of August 1, 2023, and secured by a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of August 1, 2023 naming Borrower as trustor, the County as beneficiary and First American Title Company, as trustee (the "County ARPA Deed of Trust"). In connection with the County Loan, the County and Borrower also executed a Covenant Agreement (Coachella Valley I Apartments, n/k/a Placita Dolores Huerta) (the "County ARPA Covenant") dated as of August 1, 2023. The County ARPA Loan Agreement, the County ARPA Deed of Trust, and the County ARPA Covenant Agreement will be recorded against the Property in the Official Records concurrently herewith. Collectively, the County ARPA Loan Agreement, the County ARPA Deed of Trust, the County ARPA Note, and the County ARPA Covenant collectively constitute the "County ARPA Loan Documents."

D. Pursuant to that certain Affordable Housing Loan Agreement (Coachella Valley Apartments) dated as of April 26, 2022, by and between Borrower and the City ("City Loan Agreement"), and evidenced by that certain Promissory Note Secured by Deed of Trust dated as of April 26, 2022, and made by Borrower to the order of the City (the "City Note"), the City made a loan to Borrower in the original principal amount of Three Million Seven Hundred Ninety-Four Thousand Dollars (\$3,794,000) (the "City Loan"). The City Loan is secured by that certain Deed of Trust Securing Affordable Housing Loan Agreement and Promissory Note dated as of April 26, 2022, and made by Borrower, as trustor, in favor of the City (the "City Deed of Trust") and recorded in the Official Records on April 29, 2022, as Document Number 2022-0201995. In connection with the City Loan, Borrower and the City also executed that certain Agreement to Prepay Tax Obligation for City of Coachella Community Facilities District 2005-1 ("Agreement to Prepay") recorded in the Official Records on April 29, 2022, as Document Number 2022-0201996. The City Loan Agreement, City Note, City Deed of Trust, and the Agreement to Prepay collectively constitute the "City Loan Documents."

E. The City and the Borrower entered into an Affordable Housing Regulatory Agreement (the "City Regulatory Agreement") dated August 1, 2023, which the City is recording in the Official Records concurrently herewith.

F. Borrower, the City, and the County hereby acknowledge and agree that the following County ARPA Loan Documents and the City Regulatory Agreement shall be recorded in the Official Records as follows:

1. County ARPA Covenant
2. City Regulatory Agreement
3. County ARPA Loan Agreement
4. County ARPA Deed of Trust

G. As a condition to funding the County ARPA Loan, the County requires that the City and Borrower execute and deliver this Agreement, that the City provide the County notice of defaults and the right to cure defaults under the City Loan Documents, that the County ARPA Covenant have priority over the City Loan Documents.

H. As a condition to City's approval of the Borrower obtaining the County ARPA Loan and securing it against the Property, the City requires that the County and Borrower execute and deliver this Agreement, that the County provide the City notice of defaults and the right to cure defaults under the County ARPA Loan Documents, and that the City Regulatory Agreement have priority over the County HOME Deed of Trust, the County ARPA Loan Agreement, and the County ARPA Deed of Trust.

NOW THEREFORE, for valuable consideration the parties agree as follows:

1. Borrower and the City each acknowledge and agree for the benefit of the County that the County ARPA Covenant and any modifications, renewals, or extensions thereof approved in writing by the City, shall unconditionally be and at all times remain a lien or charge on the Property prior and superior to the rights of the City under the City Loan Documents. The City intentionally and unconditionally subordinates all of the City's right, title and interest in and to the City Loan Documents and the City Regulatory Agreement to the lien or charge of the County ARPA Covenant.

2. Except for the County ARPA Covenant as stated in Section 1, above, Borrower and the County each acknowledge and agree for the benefit of the City that the City Loan Documents and any modifications, renewals, or extensions thereof approved in writing by the County, shall unconditionally be and at all times remain a lien or charge on the Property prior and superior to the rights of the County under the County ARPA Loan Documents. The County intentionally and unconditionally subordinates all of the County's right, title and interest in and to the County ARPA Loan Agreement and County ARPA Deed of Trust to the lien or charge of the City Loan Documents. The County also intentionally and unconditionally subordinates all of the County's right, title and interest in and to the County HOME Loan Agreement and the County HOME Deed of Trust to the lien or charge of the City Regulatory Agreement.

3. The County agrees that, upon the occurrence of an event of default under the County ARPA Loan Documents, the County shall:

(a) concurrently with notifying Borrower of the occurrence of an event of default, notify the City of the occurrence of such event of default by delivering a notice to the City, at its address set forth in the City Loan Agreement;

(b) permit the City to cure or correct (provided that such event of default is curable) any such event of default within ninety (90) calendar days after receipt of such notice;

(c) accept all payments and all acts done by the City on behalf of Borrower within the cure period specified in Paragraph 3(b) above as though the same had been timely done and performed by Borrower, so that such acts and payments shall fully and totally cure and correct all such defaults, breaches, failures or refusals for all purposes; and

(d) have the continuing right to record a notice of default, obtain a court appointed receiver and otherwise exercise the County's rights and remedies under the County ARPA Loan Documents during the above-mentioned cure period.

4. The City agrees that, upon the occurrence of an event of default under the City Loan Documents or the City Regulatory Agreement, the City shall:

(a) concurrently with notifying Borrower of the occurrence of an event of default, notify the County of the occurrence of such event of default by delivering a notice to the County, at its address set forth in the County ARPA Loan Agreement;

(b) permit the County to cure or correct (provided that such event of default is curable) any such event of default within ninety (90) calendar days after receipt of such notice;

(c) accept all payments and all acts done by the County on behalf of Borrower within the cure period specified in Paragraph 4(b) above as though the same had been timely done and performed by Borrower, so that such acts and payments shall fully and totally cure and correct all such defaults, breaches, failures or refusals for all purposes; and

(d) have the continuing right to record a notice of default, obtain a court appointed receiver and otherwise exercise the City's rights and remedies under the City Loan Documents and the City Regulatory Agreement during the above-mentioned cure period.

5. The parties hereto 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.

6. This Agreement represents the entire agreement among the parties on the subject matter hereof, and except as expressly provided herein, shall not be affected by reference to any other documents. Neither this Agreement nor any provision hereof may be changed, waived, discharged, or terminated orally, but such may be accomplished only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought.

7. If any of the provisions or terms of this Agreement shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other of the

terms hereof, and this Agreement shall be construed as if such unenforceable term had never been contained herein.

8. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute and be construed as one and the same instrument.

Exhibit A is attached hereto and incorporated herein by this reference.

**[SIGNATURES ON FOLLOWING PAGES]**

IN WITNESS WHEREOF, the parties have entered into this Agreement, as of the date first written above.

**BORROWER:**

CVDH LP,  
a California limited partnership

By: SCHOC2 LLC,  
a California limited liability company,  
its managing general partner

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

By: \_\_\_\_\_  
Manuela Silva,  
Chief Executive Officer

**COUNTY:**

COUNTY OF RIVERSIDE, a political subdivision  
of the State of California

By: \_\_\_\_\_  
Heidi Marshall  
Director

APPROVED AS TO FORM:  
Minh C. Tran, County Counsel

\_\_\_\_\_  
Amrit P. Dhillon  
Deputy County Counsel

**[SIGNATURES CONTINUE ON FOLLOWING PAGE]**

**CITY:**

CITY OF COAHCELLA, a California municipal corporation

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM:

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**[SIGNATURES MUST BE NOTARIZED]**

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 THE PROPERTY**