

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

County of Contra Costa
Department of Conservation and Development
30 Muir Road
Martinez, CA 94553
Attention: Affordable Housing Program Manager

No fee document pursuant to
Government Code Section 27383

SUBORDINATION AGREEMENT
(Church Lane RCD Loan)

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN AND RESTRICTIVE COVENANTS AFFECTING THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT AND RESTRICTIVE COVENANTS.

THIS SUBORDINATION AGREEMENT (the "Agreement") is made as of May ____, 2017 by Church Lane – Rubicon Partners, a California Limited Partnership, owner of the real property (the "Owner") described on the attached Exhibit A, (which property, together with all improvements now or hereafter located on the property, is hereinafter referred to as the "Property"), and Resources for Community Development, a California nonprofit public benefit corporation (the "Subordinate Lender"), in favor of the County of Contra Costa, a political subdivision of the State of California (the "County").

RECITALS

A. Concurrently herewith the Subordinate Lender is providing the Owner a Loan in the amount of Three Hundred Thousand Dollars (\$300,000) (the "Subordinate Loan") (the "Subordinate Lender Loan"). The Subordinate Lender Loan is evidenced by a Promissory Note executed by Owner in the amount of the Subordinate Loan (the "Subordinate Lender Note"), and a Deed of Trust with Assignment of Rents, executed by the Owner as trustor, naming the Subordinate Lender as beneficiary, and North American Title Company as trustee, securing the Subordinate Loan (the "Subordinate Lender Deed").

of Trust"). The Subordinate Lender Deed of Trust and Subordinate Lender Note are collectively referred to as the "Subordinate Lender Loan Documents".

B. Owner and the County have entered into that certain Loan Agreement (the "County Loan Agreement") pursuant to which the County agreed to provide a loan to Owner in the principal amount of Nine Hundred One Thousand Five Hundred Thirty-Three Dollars (\$901,533) (the "County CDBG Loan") and a loan to Owner in the principal amount of Eight Hundred Four Thousand Four Hundred Dollars (\$804,400) (the "County HOME Loan", and collectively with the County CDBG Loan, the "County Loan"). The County CDBG Loan is evidenced by a Promissory Note dated December 9, 2015 executed by Owner in the amount of the County CDBG Loan (the "County CDBG Note") and the County HOME Loan is evidenced by a Promissory Note dated December 9, 2015 executed by Owner in the amount of the County HOME Loan (the "County HOME Note"); a Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing executed by the Owner as trustor and recorded on January 12, 2016 in the Official Records of Contra Costa County, as Instrument No. 2016-90005266 naming the County as beneficiary and North American Title Company, a California corporation as trustee (the "County Deed of Trust"); a Regulatory Agreement and Declaration of Restrictive Covenants executed by the County and the Owner and recorded on January 12, 2016 in the Official Records of Contra Costa County, as Instrument No. 2016-90005265 (the "County Regulatory Agreement"). The County Loan Agreement, County Deed of Trust, County CDBG Note, County HOME Note and County Regulatory Agreement are collectively referred to as the "County Loan Documents".

C. As a condition to funding 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 Subordinate Lender under the Subordinate Lender Loan Documents and that the Subordinate Lender specifically and unconditionally subordinate the Subordinate Lender Loan Documents to the lien or charge of the County Loan Documents.

THEREFORE, for valuable consideration and to induce the County to make the County Loan, the Owner, the County, and the Subordinate Lender, hereby agree as follows:

1. The County Loan Documents and any modifications, renewals or extensions thereof, shall unconditionally be and at all times remain a lien or charge on the Property prior and superior to the rights of the Subordinate Lender under the Subordinate Lender Loan Documents. The parties agree and acknowledge that this is a lien subordination only and not a subordination of any payments made to Subordinate Lender in accordance with the Subordinate Lender Note prior to payments under the County Loan Documents.

2. This Agreement shall be the whole agreement with regard to the subordination of the Subordinate Lender Loan Documents to the lien or charge of the County Loan Documents, and shall supersede and cancel, but only insofar as would

affect the priority of the County Loan Documents, any prior agreements as to such subordination, including, without limitation, those provisions, if any, contained in the Subordinate Loan Documents which provides for the subordination of the Subordinate Loan Documents to a deed or deeds of trust or to a mortgage or mortgages, or to a regulatory agreement.

3. 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, 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.

4. The Subordinate Lender consents to the County Loan and the Subordinate Lender has approved the executed County Loan Documents.

5. This Agreement represents the entire agreement between the parties hereto 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.

6. 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.

7. 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.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT HERETO.

OWNER:

Church Lane – Rubicon Partners,
a California Limited Partnership

By: RCD GP LLC,
a California limited liability company,
its general partner

By: Resources for Community Development,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Daniel Sawislak
Executive Director

SUBORDINATE LENDER:

Resources for Community Development,
a California nonprofit public benefit corporation

By: _____
Daniel Sawislak
Executive Director

COUNTY:

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

By: _____

Its: _____

Exhibit A

DESCRIPTION OF PROPERTY

LEGAL DESCRIPTION

Real property in the City of San Pablo, County of Contra Costa, State of California, described as follows:

PARCEL 1 AS SHOWN ON THE SUBDIVISION MS779-94 SAN PABLO, CALIFORNIA, FILED DECEMBER 30, 1994 IN BOOK 165 OF PARCEL MAPS, AT PAGES 50 AND 51, OFFICIAL RECORDS OF CONTRA COSTA COUNTY.

EXCEPTING THEREFROM:

WATER RIGHTS CONTAINED IN THE DEED FROM THE ROMAN CATHOLIC ARCHBISHOP OF SAN FRANCISCO, A CORPORATION SOLE, TO EAST BAY WATER COMPANY, A CALIFORNIA CORPORATION, RECORDED DECEMBER 31, 1922, BOOK 422 OF DEEDS, PAGE 246

APN: 417-090-015-5

