

RECORDING REQUESTED BY  
Warthan Place Apartment Investors II, L.P.  
1724 10<sup>th</sup> Steet, Suite 120  
Sacramento, CA 95811

AND WHEN RECORDED MAIL TO  
Warthan Place Apartment Investors II, L.P.  
1724 10<sup>th</sup> Street, Suite 120  
Sacramento, CA 95811  
Attn: John Cicerone

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## SUBORDINATION AGREEMENT

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

This Subordination Agreement ("Agreement") is entered into as of \_\_\_\_\_, 2022 by and among WARTHAN PLACE APARTMENT INVESTORS, L.P., a California limited partnership ("Phase One Owner"); ), WARTHAN PLACE APARTMENT INVESTORS II, L.P., a California limited partnership ("Phase Two Owner"), and CITY OF COALINGA, a California municipal corporation, ("City"). The parties to this Agreement are referred to as the "Parties." City is also referred to as the "Lender."

### RECITALS

**A.** City recorded (a) that certain Notice of Affordability Restrictions on Transfer of Property dated as of September 16, 2014, executed by Phase I Owner and the City and recorded in the Official Records of Fresno County, California ("Official Records") on October 30, 2014 as DOC-2014-0124003; (b) that certain Regulatory Agreement and Declaration of Restrictive Covenants dated as of September 16, 2014, executed by Phase I Owner and the City and recorded in the Official Records on October 30, 2014 as DOC-2014-0124002; and (c) that certain Deed of Trust with Assignment of Rents and Security Agreement, dated as of September 16, 2014, executed by Phase I Owner in favor of the City and recorded on October 30, 2014 in the Official Records as DOC-2014-124004 (collectively, the "City Recorded Documents") for the benefit of City, to secure a promissory note in the original amount of \$2,464,737.00. The City Recorded Documents encumber, among other things, the real property more particularly described in Exhibit A attached to this Agreement (the "Phase One Land"). The Phase One Land, together with all improvements now or hereafter located on the Phase One Land and all fixtures and personal property located on the Phase One Land and encumbered by any of the Recorded Items (as defined below) are referred to, collectively, as the "Phase One Property."

**B.** Phase One Owner owns the Phase One Property. Phase One Property includes a detention pond for storm water storage (the "Detention Pond").

**C.** Phase Two Owner owns the real property more particularly described in Exhibit A attached to this Agreement as the "Phase Two Land". Phase Two Owner is building an 81-unit apartment complex on the Phase Two Land. The Phase Two Land, together with all improvements now or hereafter located on the Phase Two Land and all fixtures and personal property located on the Phase Two Land are referred to, collectively, as the "Phase Two Property."

**D.** The Phase Two Property drains storm water through the Phase One Property to the Detention Pond. The Phase Two Property and the Phase One Property share a common drive aisle.

**E.** The City approved the Phase Two Property in Resolution No. 020P-010 dated December 8, 2020 approving site plan review application No 20-01 (Warthan Place Apartments Phase 2).

**F.** Phase One Owner and Phase Two Owner, executed the "Reciprocal Access and Drainage Agreement", dated as of May 17, 2022 and recorded in Official Records as document number 2022-0076541 on June 9, 2022 memorializing the reciprocal drainage and access rights between the Phase One Property and the Phase Two Property.

**G.** The Reciprocal Access and Drainage Agreement and the City Recorded Documents are referred to as the "Recorded Items."

**H.** The lender for the Phase Two Property has required subordination of the City Recorded Documents to the Reciprocal Access and Drainage Agreement.

**I.** It is the intent of the Parties that the order of priority of the Recorded Items as liens on or charges against the Phase One Property be as follows:

- a. Reciprocal Access and Drainage Agreement
- b. City Recorded Documents

NOW THEREFORE, In consideration of the mutual benefits accruing to the Parties and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## **AGREEMENT**

### **1. Priority and Subordination.**

(a) Each Recorded Item, and any and all renewals and extensions thereof, shall unconditionally be and remain at all times a lien or charge on the Phase One Property, having the relative priority with respect to the other Recorded Items as set forth above in Recital I. Each Party intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Recorded Items to which it is a party in favor of the lien or charge upon the Phase One Property of the other Recorded Items to the extent necessary so that the Recorded Items shall have the relative priority set forth above in Recital I

(b) Each Party acknowledges that it has been offered a satisfactory opportunity to review each of the Recorded Items and related documents to the extent that it wishes to review them.

(c) Each Party will enter into a subordination agreement substantially similar to this Agreement with any lender which refinances the loan secured by the City Recorded Documents.

### **2. Reliance.**

The Parties would not enter into the Recorded Items to which they are parties without this Agreement.

### **2. Recording.**

Each Party consents to the recording of this Agreement.

### **3. Notice of Default; Opportunity to Cure.**

(a) Each Party shall give each of the other Parties notice of default under each

Recorded Item in favor of such Party prior to enforcing remedies for such default against Phase Two Owner or the Phase One Property and each of the other Parties shall have the right to cure such default at any time that Phase Two Owner would have a right to cure it. In no event shall a Lender have less than sixty (60) days to cure a default.

(b) If, prior to a foreclosure sale under a Recorded Item, a Lender or an entity wholly owned by a Lender takes title to the Phase One Property and cures the default on that Recorded Item, the beneficiary of that Recorded Item will not exercise any right it may have to accelerate the indebtedness secured by that Recorded Item solely by reason of that transfer (or will accept reinstatement if acceleration has already occurred).

(c) In the event Lender acquires title to the Phase One Property, Lender shall have the right to assume and succeed to Phase Two Owners obligations under any or all of the Recorded Items in favor of any other Lender and the documents secured by those Recorded Items, under the terms and conditions existing prior to the default, upon compliance with the reasonable requirements of the Lender which is the beneficiary of those other Recorded Items as to assumptions.

#### **4. Miscellaneous.**

(a) **Entire Agreement.** This Agreement constitutes the entire agreement among the Parties with respect to the priority of the lien and charge of the Recorded Items against the Phase One Property and all prior understandings and agreements on that subject, if any, are superseded and replaced by this Agreement.

(b) **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the state where the Phase One Land is located.

(c) **Successors; Assignment.** This Agreement is for the benefit of the Lenders and their respective successors and assigns, and any provision hereof may be waived or modified by agreement of Lenders without the consent of Phase Two Owner, and without affecting the priority of the liens and charges of the Recorded Items as provided in this Agreement. The heirs, administrators, assigns and successors-in-interest of the Parties shall be bound by this Agreement. This Agreement may be assigned by a Party only as a part of an assignment of such Party's interest in the Phase One Property.

(d) **Notices.** All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when hand-delivered, or two business days after deposit in the U.S. mail, postage prepaid, to the Parties at the addresses set forth below, or to such other place as a Party may from time to time designate for itself by notice to the other Parties. No successor or assign of a Party shall be entitled to notices or opportunity to cure defaults hereunder unless notice of the transfer is given in accordance with this subsection.

(e) **Amendment.** This Agreement may be amended only by a writing signed by the Parties, but this clause shall not impair the validity of any further agreements among fewer than all of the Parties as among themselves.

(f) **Legal Costs.** In the event of any litigation, arbitration or other legal proceeding in which any Party seeks to enforce its rights under this Agreement or to recover damages for the breach thereof, the prevailing Party or Parties shall be entitled to recover its legal costs and expenses, including but not limited to attorneys' fees, from the non-prevailing Party or

Parties, whether such costs and expenses are incurred in connection with trial court proceedings, on appeal, in bankruptcy or other insolvency proceedings, in post-judgment collection proceedings, or otherwise.

(g) **Counterparts.** This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and whether or not all Parties execute each counterpart.

(h) **Completion of Recording Information.** This Agreement is signed without completion of certain recording information called for above, any Party or any escrow agent or title insurance company acting on the instructions of any Party is hereby authorized to insert such information prior to recording this Agreement.

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

**CITY:**

CITY OF COALINGA, a California municipal corporation

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

Its:

**PHASE ONE OWNER:**

WARTHAN PLACE APARTMENT INVESTORS, L.P.  
a California limited partnership

By: Community Revitalization and Development Corporation, a California nonprofit Corporation, its Managing General Partner

By: \_\_\_\_\_  
David Rutledge, President

By: \_\_\_\_\_  
Cyrus Youssefi, individually  
Administrative General Partner

**PHASE TWO OWNER:**

WARTHAN PLACE APARTMENT INVESTORS II, L.P.,  
a California limited partnership

By: Community Revitalization and Development Corporation, a California nonprofit Corporation, its Managing General Partner

By: \_\_\_\_\_  
David Rutledge, President

By: Egis Group, Inc., a California corporation,  
as Co-Administrative General Partner

By: \_\_\_\_\_  
John Cicerone, President

By: \_\_\_\_\_  
Cyrus Youssefi, individually,  
Co-Administrative General Partner

## **EXHIBIT A LEGAL DESCRIPTION**

### **Phase Two Land is Described as:**

Parcel 1 of Parcel Map 08-01, according to the map thereof recorded May 13, 2013 in Book 71, Pages 76-78 of Parcel Maps, in the City of Coalinga, County of Fresno, State of California, in the office Of the County Recorder of Fresno County.

### **Phase One Land is Described as:**

Parcels 2 and 3 of Parcel Map 08-01, according to the map thereof recorded May 13, 2013 in Book 71, Pages 76-78 of Parcel Maps, in the City of Coalinga, County of Fresno, State of California, in the office Of the County Recorder of Fresno County.

**Copy of the Recorded Parcel Map 08-01 is attached and made a part hereof on Exhibit B (next 3 pages)**



# PARCEL MAP NO. 08-01

BEING A PORTION OF THE FRACTIONAL NORTH HALF OF SECTION 4, TOWNSHIP 21 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, IN THE CITY OF COALINGA, COUNTY OF FRESNO, STATE OF CALIFORNIA CONSISTING OF 3 SHEETS - SHEET 2 OF 3 SHEETS SURVEYED AND PLATTED IN NOVEMBER, 2012

## LEGEND

- ⊙ - FOUND AND ACCEPTED SECTION CORNER MONUMENT AS NOTED.
- ⊗ - FOUND AND ACCEPTED MONUMENT AS NOTED.
- - EXISTING BOUNDARY LIMITS OF THIS SUBDIVISION.
- (R-1) - RECORD DATA PER BOOK 37 OF RECORD OF SURVEYS AT PAGE 83, F.C.R.
- (R-2) - RECORD DATA PER GOVERNMENT TOWNSHIP PLAT OF T.21S., R.15E., M.D.B., M.H.
- (R-3) - RECORD DATA PER TRACT NO. 5451\*, RECORDED IN VOLUME 77 OF PLATS AT PAGES 32-35, F.C.R.
- (R-4) - RECORD DATA PER TRACT NO. 5776\*, RECORDED IN VOLUME 80 OF PLATS AT PAGES 20-34, F.C.R.
- F.C.R. - FRESNO COUNTY RECORDS
- P.V.A. - PLEASANT VALLEY ADDITION
- ||||| - APPROX. FLOOD PLAIN LIMITS FOR ZONE 'AE' PER FEMA FIRM NO. 06018C213H, REVISED FEBRUARY 18, 2009.

## LINE TABLE

LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
1	N89°27'24"E	484.85'	15	S89°52'37"W	32.48'
2	S00°21'27"E	0.85'	16	S89°52'37"W	(32.36') (R-3) (R-4)
3	N89°38'33"E	169.17'	17	S89°52'37"W	196.97'
4	N00°12'17"W	255.00'	18	S89°52'37"W	(470.00') (R-3) (R-4)
5	N89°38'33"E	138.84'	19	S89°52'37"E	470.00'
6	N89°38'33"E	545.92'	20	S89°52'37"E	511.00'
7	N89°38'33"E	545.92'	21	S89°52'37"E	511.00'
8	N89°38'33"E	184.13'			
9	N43°21'31"E	233.83'			
10	N89°38'33"E	190.94'			
11	N89°38'33"E	190.94'			
12	N89°38'33"E	499.76'			
13	N89°38'33"E	499.76'			
14	S00°08'59"E	598.87'			

## NOTES:

- 1 - FOUND 2" BRASS CAP STAMPED LS 5332 IN MONUMENT WELL AND ACCEPTED FOR THE WEST LINE OF SECTION 4, T.21S., R.15E., M.D.B., M.H. TAKEN AS THE POINT OF BEGINNING FOR THE SURVEY PER TRACT NO. 5245\*, RECORDED IN BOOK 37 OF RECORD OF SURVEYS AT PAGE 83, F.C.R.
- 2 - FOUND AND ACCEPTED 2" IRON PIPE, NOT TAGGED, DOWN FOR THE SW CORNER OF LOT 186, BLOCK 3 OF PLEASANT VALLEY ADDITION NO. 3\*, RECORDED IN BOOK 5 OF RECORD OF SURVEYS AT PAGE 29, F.C.R.

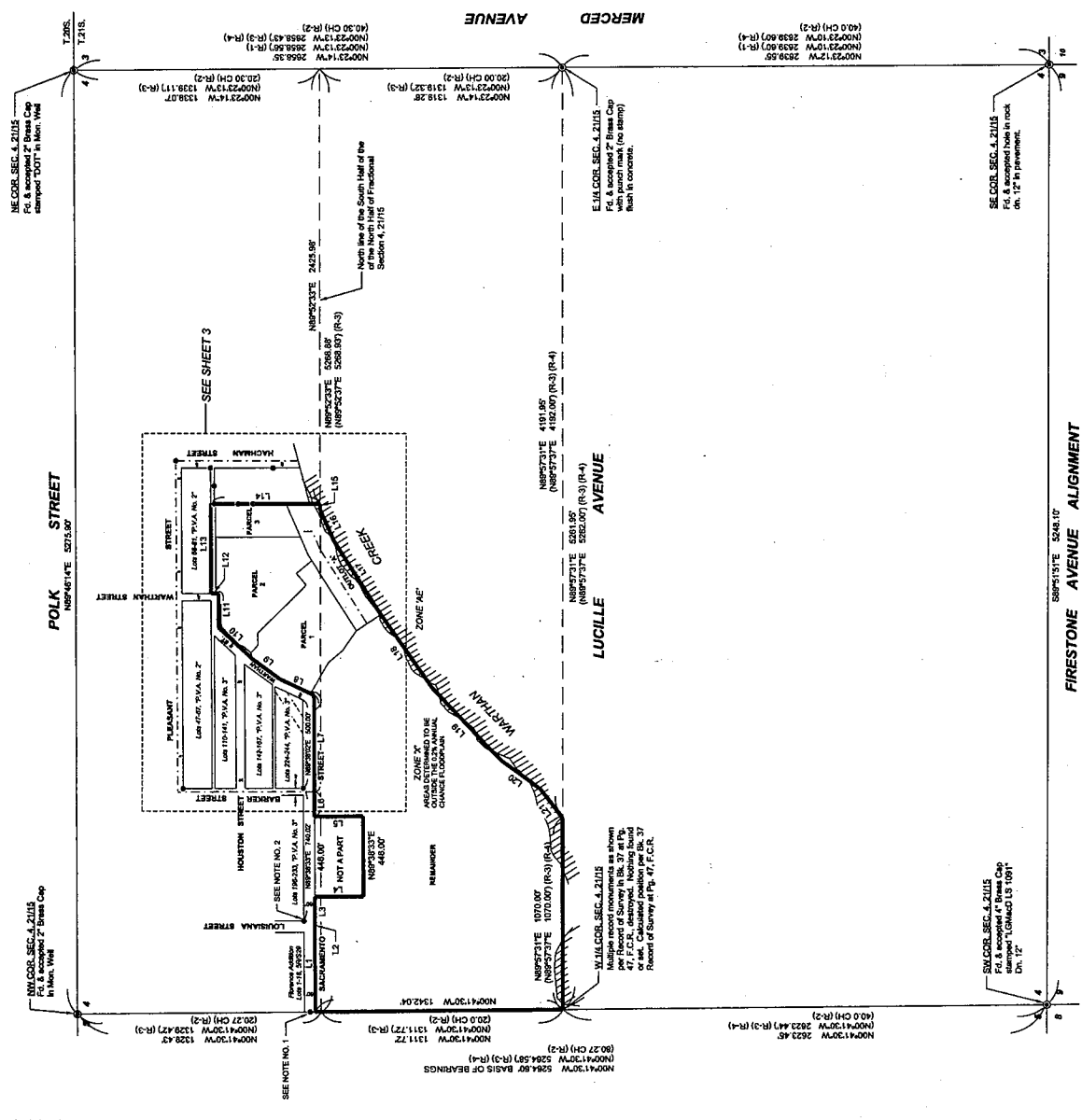
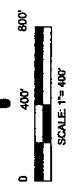
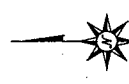
## BASIS OF BEARINGS

THE WEST LINE OF SECTION 4, T.21S., R.15E., M.D.B., M.H. TAKEN AS THE POINT OF BEGINNING FOR THE SURVEY PER TRACT NO. 5245\*, RECORDED IN BOOK 37 OF RECORD OF SURVEYS AT PAGE 83, F.C.R. ON SEPTEMBER 12, 2006, IN VOLUME 77 OF PLATS AT PAGES 32-35, F.C.R.

Surveyed & Platted by:



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Land Surveyors  
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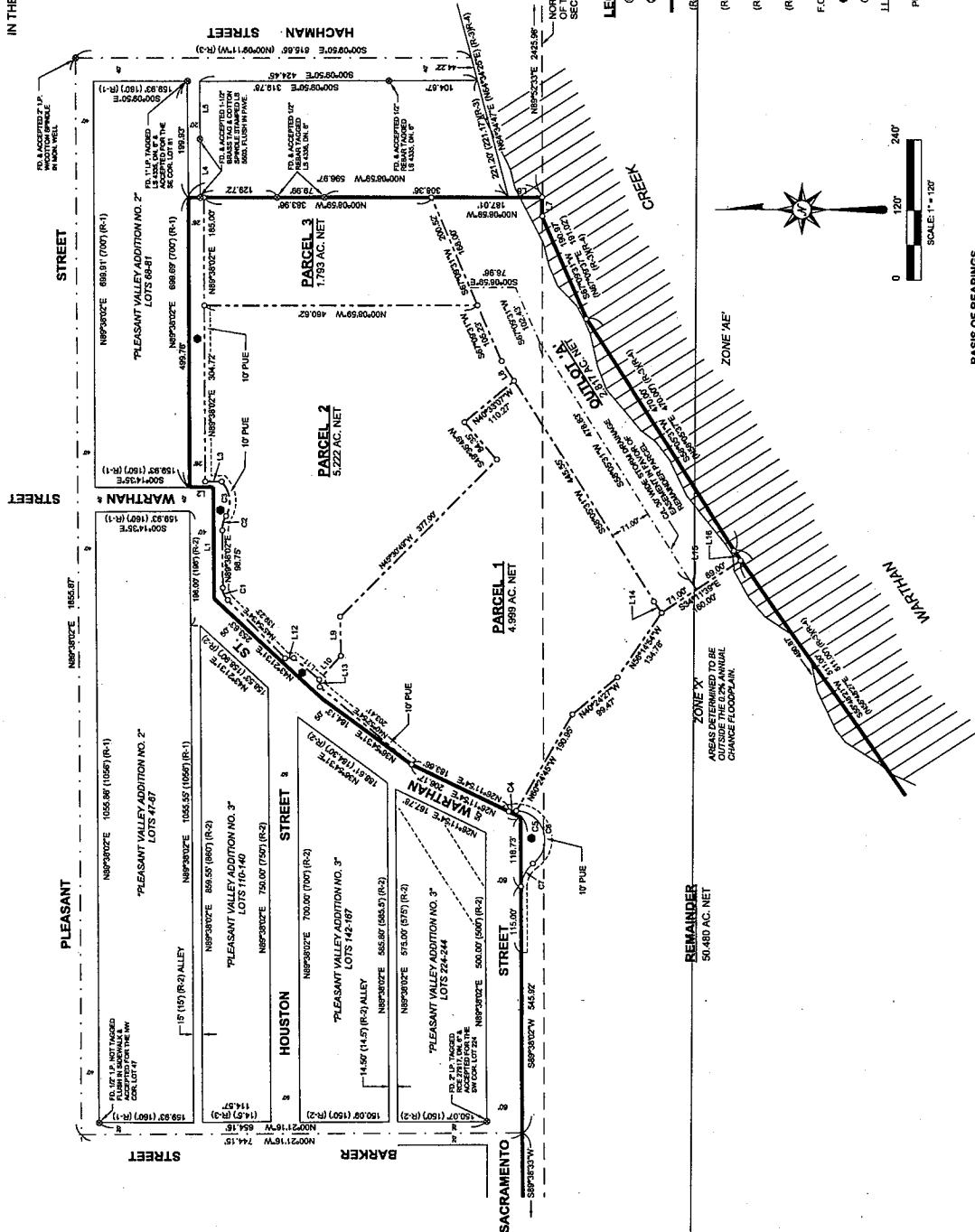


# PARCEL MAP NO. 08-01

BEING A PORTION OF THE FRACTIONAL NORTH HALF OF SECTION 4, TOWNSHIP 21 SOUTH, RANGE 15 EAST, MOUNT DIABLO BASE AND MERIDIAN ACCORDING TO THE OFFICIAL PLAT THEREOF IN THE CITY OF COALINGA, COUNTY OF FRESNO, STATE OF CALIFORNIA CONSISTING OF 3 SHEETS - SHEET 3 OF 3 SHEETS SURVEYED AND PLATTED IN NOVEMBER, 2012

LINE	BEARING	DISTANCE
1	N89°20'02"E	190.64
2	N00°14'35"W	40.00
3	N00°14'35"W	27.94
4	S89°20'02"E	190.64
5	S89°20'02"E	59.97
6	N00°06'59"W	59.97
7	(59.85°R-3)(R-4)	(59.85°R-3)(R-4)
8	(N89°20'02"E)	40.33
9	(N89°20'02"E)	40.33
10	S89°20'02"E	67.62
11	S89°20'02"E	57.28
12	N01°36'37"W	14.24
13	S89°20'02"E	12.89
14	S89°20'02"E	12.89
15	S55°48'21"W	21.91
16	S55°48'21"W	20.13

CURVE	RADIUS	DELTA	ARC LENGTH
1	30.00	45°32'28"	22.89
2	50.00	25°18'29"	25.58
3	50.00	14°46'47"	13.88
4	50.00	14°46'47"	13.88
5	50.00	15°41'54"	13.62
6	50.00	13°29'23"	12.73
7	50.00	52°54'57"	46.16



LEGEND  
 ⊙ - FOUND AND ACCEPTED SECTION CORNER MONUMENT AS NOTED.  
 ⊙ - FOUND AND ACCEPTED MONUMENT AS NOTED.  
 — - EXISTING BOUNDARY LIMITS OF THIS SUBDIVISION.

- (R-1) - RECORD DATA PER PLEASANT VALLEY ADDITION NO. 2, RECORDED IN VOLUME 7 OF MISCELLANEOUS MAPS AT PAGE 307, F.C.R.
- (R-2) - RECORD DATA PER PLEASANT VALLEY ADDITION NO. 3, RECORDED IN BOOK 5 OF RECORD OF SURVEYS AT PAGE 28, F.C.R.
- (R-3) - RECORD DATA PER TRACT NO. 5451, RECORDED IN VOLUME 77 OF PLATS AT PAGES 32-35, F.C.R.
- (R-4) - RECORD DATA PER TRACT NO. 5776, RECORDED IN VOLUME 80 OF PLATS AT PAGES 20-34, F.C.R.
- F.C.R. - FRESNO COUNTY RECORDS
- - NOW OFFERED FOR DEDICATION FOR PUBLIC STREET PURPOSES.
- - SET 34"X1033" LONG IRON PIPE TAGGED LS 5503, DOWN 6".
- ||||| - APPROX. FLOOD PLAIN LIMITS FOR ZONE 'AE' PER FEMA FIRM NO. 06019C3213H, REVISED FEBRUARY 18, 2008.
- PUE - PUBLIC UTILITY EASEMENT NOW OFFERED FOR DEDICATION FOR PUBLIC USE.

Surveyed & Platted by  
**C.H. Robles & Associates, Inc.**  
 Land Surveyors  
 200 Coalinga Blvd.  
 Coalinga, CA 93238  
 Phone (562) 940-9991  
 Fax (562) 940-9992  
 E-Mail: chrobles\_ama@earthlink.net

BASIS OF BEARINGS  
 THE SECT. BEARINGS ON T. 21 S., R. 15 E., M.D.B. & M. TAKEN AS SHOWN PER TRACT NO. 5451 WARTHAM MEADOWS, RECORDED SEPTEMBER 12, 2006, IN VOLUME 77 OF PLATS AT PAGES 32-35, F.C.R.