

APN: See Exhibit A.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

AMERICA FIRST MULTIFAMILY INVESTORS, L.P.
One Burlington Place, Suite 400
1004 Farnam Street
Omaha, Nebraska 68102
Attention: John Gordon

SUBORDINATION AGREEMENT

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

THIS SUBORDINATION AGREEMENT (this "Agreement") is made and entered into effective the ___ day of _____, 201_, by and among **WILMINGTON TRUST, NATIONAL ASSOCIATION**, a national banking association organized and existing under and by virtue of the laws of the United States of America, as trustee for the holders of the Bonds (defined below) pursuant to the Indenture (defined below) ("Senior Lender"), **MONTEVISTA SAN PABLO AR, L.P.**, a California limited partnership ("Borrower"), and **CITY OF SAN PABLO**, a California municipal corporation (the "City"), as successor-in-interest to the **REDEVELOPMENT AGENCY OF THE CITY OF SAN PABLO**, a public body corporate and politic ("Subordinated Lender"). All capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Senior Loan Documents (defined herein).

WITNESSETH:

WHEREAS, Subordinated Lender made a loan to San Pablo Housing Investors, L.P., a California limited partnership (the "Initial Borrower") in the aggregate original principal amount of \$1,100,000 (the "Subordinate Loan"), which Subordinate Loan was assigned by the Initial Borrower and assumed by Borrower pursuant to that certain Omnibus Assignment and Assumption and Amendment Agreement by and among Subordinated Lender, Initial Borrower and Borrower dated as of the date hereof (the "Omnibus Assignment and Amendment") and recorded concurrently herewith in the official records of Contra Costa County (the "Official Records"). The Subordinate Loan is secured by that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of September 25, 2003 and recorded in the Official Records as Series No. 2003-601815, as assigned and amended pursuant to the Omnibus Assignment and Amendment (the "Subordinate Deed of Trust"), encumbering the Property. The Borrower's obligation to repay the Subordinate Loan is evidenced by a Promissory Note dated as

of September 23, 2003, as assigned and amended pursuant to the Omnibus Assignment and Amendment (the "Subordinate Note"). The Subordinate Deed of Trust and the Subordinate Note, together with all amendments and supplements to any or all of the foregoing, are collectively referred to as the "Subordinate Loan Documents";

WHEREAS, the Golden State Finance Authority, a joint exercise of powers agency duly organized and validly existing under the laws of the State of California, in its capacity as issuer of the hereinafter defined Bonds (in such capacity, "Issuer"), has agreed to make loans to the Borrower in the aggregate principal amount of up to \$[TOTALPAR] (collectively, "Senior Loan") pursuant to a Loan Agreement, dated as of _____, between the Issuer and the Borrower ("Senior Loan Agreement"); and

WHEREAS, the Bonds will be issued pursuant to that certain Trust Indenture, dated as of _____ ("Indenture"), between the Issuer and Senior Lender, as Trustee thereunder on behalf of the holders of the Bonds; and

WHEREAS, the Senior Loan has been capitalized through the issuance by the Issuer of its Senior Housing Revenue Bonds ([Montevista Senior Apartments Project]) _____ Series _-1 in the principal amount of \$[APAR] (the "Series _-1 Bonds") and its Subordinate Senior Housing Revenue Bonds ([Montevista Senior Apartments Project]) _____ Series _-2 in the principal amount of \$[BPAR] (the "Series _-2 Bonds," and together with the Series _-1 Bonds, the "Bonds"); and

WHEREAS, the repayment obligations of the Borrower in respect of the Senior Loan under the Senior Loan Agreement is evidenced by two separate promissory notes, dated as of _____ (as may be amended and supplemented, collectively, the "Senior Notes") executed and delivered thereby; and

WHEREAS, in connection with the issuance of the Bonds, the Borrower shall also enter into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of _____, between Borrower and Issuer to be recorded concurrently herewith in the Official Records ("Bond Regulatory Agreement"); and

WHEREAS, the Borrower's obligations under the Senior Loan Agreement and the "Loan Documents" which provide security for the Bonds as described therein are secured by (i) a Senior Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing and (ii) a Subordinate Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing, each to be recorded concurrently herewith in the Official Records (collectively "Senior Deed of Trust" and collectively with the Senior Loan Agreement, the Senior Note, the Bond Regulatory Agreement and all other documents, agreements and instruments relating to or securing the Senior Loan, together with all amendments and supplements to any or all of the foregoing, the "Senior Loan Documents"); and

WHEREAS, the conditions of the Senior Lender making the Senior Loan include, among other things, the subordination of the Subordinated Liens to the Senior Liens and the subordination of the Subordinated Indebtedness to the Senior Indebtedness, all as more fully

described herein; and

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to establish the relative priority of the documents described in the foregoing recitals as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) “Senior Indebtedness” means all obligations of any type or nature presently or hereafter due from the Borrower, its parents, subsidiaries, affiliates, successors and assigns, to the Senior Lender or its successors, assigns or participants, under the Senior Loan Documents, and all other principal, interest, fees, charges and expenses under or incidental to any indebtedness secured by the Senior Liens.

(b) “Senior Liens” means all liens, mortgages, deeds of trust, security interests, security agreements, and collateral assignments of any type or nature, previously given or hereafter granted by the Borrower, its parents, subsidiaries, affiliates, successors or assigns to the Senior Lender in connection with the Senior Loan Documents.

(c) “Subordinated Indebtedness” means all obligations of any type or nature, secured or unsecured, presently or hereafter due from the Borrower, its parents, subsidiaries, affiliates, successors and assigns, to the Subordinated Lender under the Subordinate Loan Documents together, in each instance, with all principal, interest, fees, charges and expenses under or incidental to any indebtedness secured by the Subordinated Liens. Subordinate Indebtedness shall not include, and this Subordination Agreement shall not be applicable to or affect, the obligations of the Borrower, as “Owner,” under and pursuant to that certain Amended and Restated Affordable Housing Covenant Agreement executed on September 25, 2003, and recorded in the Official Records as Series No. 2003-601813 on December 15, 2003, as amended and assigned pursuant to the Omnibus Assignment and Amendment.

(d) “Subordinated Liens” means all liens, mortgages, deeds of trust, security interests, security agreements, and collateral assignments of any type or nature, previously or hereafter granted by the Borrower, its parents, subsidiaries, affiliates, successors or assigns to the Subordinated Lender in connection with the Subordinate Loan Documents.

2. Consent of the Subordinated Lender. Notwithstanding any of the terms of the Subordinate Loan Documents or any other documents, agreements and instruments creating the Subordinated Indebtedness or any Subordinated Lien to the contrary, the Subordinated Lender hereby consents to the senior priority status of the Senior Indebtedness and the Senior Liens and to the execution and delivery by the Borrower of any and all documents and instruments in connection therewith and to the full and timely performance by the Borrower of any and all of its

obligations under or in connection therewith or resulting therefrom. The Subordinated Lender agrees that no such action shall constitute an event of default or an event, which with the passage of time or giving of notice, or both, would become an event of default under any document or instrument relating to the Subordinated Indebtedness or Subordinated Liens.

3. Subordination of Subordinated Liens and Subrogation Rights.

(a) In consideration of (among other actions) the Senior Lender making the Senior Loan, the Subordinated Liens are hereby fully subordinated to the Senior Liens and the Senior Liens shall at all times be first, prior, and superior to the Subordinated Liens in all respects. The terms and provisions of any document, agreement or instrument creating or relating to a Subordinated Lien are hereby amended to provide that so long as any of the Senior Liens (or any portion of any of the foregoing) remain unreleased, the Subordinated Liens are fully subordinate to the Senior Liens and that none of the terms and provisions of such documents or instruments evidencing the Subordinated Liens shall affect or limit in any way the rights or remedies provided to the holder of the Senior Indebtedness under or in respect of the Senior Liens.

(b) The Subordinated Lender agrees that if, by reason of its payment of real estate taxes or other monetary obligations of the Borrower, or by reason of its exercise of any other right or remedy under the Subordinated Liens or otherwise in respect of the Subordinated Indebtedness, it acquires by right of subrogation or otherwise a lien on the Property which (but for this subsection) would be senior to the lien of the Senior Liens, then, in that event, such lien shall be subject and subordinate to the senior lien position of the Senior Liens.

4. Subordination of Subordinated Indebtedness; Permitted Payments.

(a) In consideration of (among other actions) the Senior Lender making the Senior Loan, the Subordinated Indebtedness is hereby fully subordinated to the Senior Indebtedness and the Senior Indebtedness shall at all times be first, prior, and superior to the Subordinated Indebtedness in all respects. The respective terms and provisions of any document creating or relating to the Subordinated Indebtedness are hereby amended to provide that so long as any of the Senior Indebtedness remains unpaid, the Subordinated Indebtedness is and shall remain fully subordinate to the Senior Indebtedness and that none of the respective terms and provisions of such documents, agreements or instruments evidencing or creating the Subordinated Indebtedness shall effect or limit in any way the rights or remedies provided to the Senior Lender in respect of the Senior Indebtedness.

(b) Provided that in each instance amounts then due and payable in respect of the Senior Indebtedness have been paid in full and there exists no uncured event of default after the giving of all applicable notices under the documents, agreements or instruments evidencing or creating the Senior Indebtedness or securing the Senior Indebtedness pursuant to the Senior Liens, the Borrower may make, and the Subordinated

Lender may receive, payments of the amounts then due and payable under or in respect of the Subordinated Indebtedness pursuant to the Subordinate Loan Documents.

5. Insolvency Proceedings Against the Borrower. The insolvency or bankruptcy of the Borrower shall not affect this Agreement, and the same shall remain in full force and effect. In any insolvency or bankruptcy proceeding for the complete liquidation of the Borrower, the Senior Lender is hereby assigned the right to collect the Subordinated Indebtedness and apply it to the Senior Indebtedness and the Subordinated Lender shall not receive any distribution from the bankruptcy estate of the Borrower unless and until the Senior Indebtedness has been satisfied in full. The Subordinated Lender agrees that during the term of this Agreement it will not commence, or join with any other creditor in commencing any bankruptcy, reorganization, arrangement, insolvency, liquidation or similar proceedings with respect to the Borrower, without the Senior Lender's prior, written consent.

6. Assignment; Prohibition on Encumbrances and Transfers. The Subordinated Lender represents and warrants that, as of the date of this Agreement, no part of the Subordinated Indebtedness or the Subordinated Liens has been sold, assigned, encumbered, endorsed or transferred to or for the benefit of others. The Subordinated Lender agrees not to, in whole or in part, sell, assign, encumber, endorse or otherwise transfer the Subordinated Indebtedness, the Subordinated Liens or any portion of either or both of the foregoing, without the Senior Lender's prior, written consent.

7. Cooperation. The Subordinated Lender further agrees to cooperate with the Senior Lender from time to time and execute and deliver such documents, agreements and instruments and to take such other actions as may reasonably be requested by the Senior Lender in order to enable the Senior Lender to enforce its rights under this Agreement and to confirm the senior priority status of the Senior Indebtedness and the Senior Liens.

8. No Liability. The parties hereto agree that the Senior Lender shall not be liable for any action or failure to act under or in connection with any of the documents or instruments creating the Senior Liens or the Senior Indebtedness, it being understood that the decision of whether and when to act and the manner of proceeding under such instruments and documents shall not be affected in any manner by the existence of the Subordinated Indebtedness and/or the Subordinated Liens. It is further agreed that such obligations as may be imposed under the documents and instruments creating the Senior Liens or under applicable laws shall run exclusively to the benefit of the Senior Lender and may be enforced or waived only by the Senior Lender and not by the Subordinated Lender or the holders of the Subordinated Liens or Subordinated Indebtedness.

9. Insurance and Condemnation. The Subordinated Lender agrees that if it receives any insurance or condemnation proceeds in respect of any of the assets of the Borrower subject to the Senior Liens (including without limitation, the Property), the Subordinated Lender shall immediately so notify the Senior Lender in writing and shall deliver such proceeds to or on the order of the Senior Lender so long as any Senior Indebtedness remains unpaid.

10. Irrevocability of Agreement. The Subordinated Lender agrees that, without notice to or further assent by the Subordinated Lender but subject, in each instance, to the terms and provisions of the agreements creating the Senior Indebtedness and Senior Liens (a) the liability of the Borrower in respect of the Senior Indebtedness may, in whole or in part, be renewed, extended, modified, or released by the Senior Lender and the documents and instruments creating or evidencing the Senior Indebtedness or the Senior Liens may be amended or supplemented, as the Senior Lender may deem advisable (including without limitation, an amendment to add as obligations secured by the Senior Liens), (b) any collateral and/or security interests in respect of the Senior Indebtedness (other than the Property) may, from time to time, in whole or in part, be assigned, transferred, exchanged, sold, encumbered, endorsed or surrendered by the Senior Lender, and (c) any deposit balance or balances to the credit of the Borrower may, from time to time, in whole or in part, be surrendered or released by the Senior Lender to the Borrower, all without impairing or in any way affecting the subordinations contained in this Agreement; nor shall the subordinations herein contained be impaired or affected in any way by any other action, inaction, or omission in respect of the Senior Indebtedness, the Senior Liens or this Agreement. The Subordinated Lender further agrees that it will not take any action in connection with or consent to any amendment, modification of, supplement to, or waiver or consent with respect to, the Subordinated Liens or the Subordinated Indebtedness or any documents executed or delivered in connection therewith (including without limitation, the Subordinate Loan Documents) without the prior, written consent of the Senior Lender.

11. Default and Remedies.

(a) Upon the occurrence of any event which permits, or with the passage of time or giving of notice, or both, would permit, the Subordinated Lender to exercise remedies in respect of any portion of the Subordinated Indebtedness (including without limitation by way of any cross default provision), the Subordinated Lender shall, in all instances, have received the prior, written consent of the Senior Lender before pursuing any such remedy, including without limitation, any acceleration of maturity of any of the Subordinated Indebtedness, whether in whole or in part. The Subordinated Lender shall give the Senior Lender written notice of any such default, and the Senior Lender shall have the right (but not the obligation) to cure any or all defaults specified in said notice.

(b) Upon the occurrence of any event which permits, or with the passage of time or giving of notice, would permit the Senior Lender to exercise remedies in respect of all or any portion of the Senior Indebtedness, the Senior Lender shall give the Subordinated Lender written notice of any such default, and the Subordinated Lender shall have the right (but not the obligation) to cure any or all defaults specified in said notice during a period of thirty (30) days after the date of said notice; provided, however, the Senior Lender shall be entitled during such thirty (30) day period to pursue any and all of its rights and remedies under or in respect of the documents, agreements and instruments creating the Senior Indebtedness and/or the Senior Liens (including without limitation, the Senior Loan Documents) and/or applicable law, including, but not limited to, acceleration of the Senior Loan, commencement and pursuit of a judicial or non-judicial foreclosure, appointment of a receiver, enforcement of any guaranty, and/or

enforcement of any other portion of the Senior Indebtedness. In the event the Senior Lender has accelerated the Senior Loan, and the Subordinated Lender cures all event(s) of default giving rise to such acceleration within the thirty (30) day period described above, such cure shall have the effect of de-accelerating the Senior Loan; provided, however, that such de-acceleration shall not waive or limit any of either the Senior Lender's rights to accelerate the Senior Loan or exercise any other remedies under the Senior Indebtedness as to any other events of default. The Borrower agrees that, after it receives notice or has knowledge of an event of default under the Senior Indebtedness or the Senior Liens, it will not make any payments under or pursuant to the Subordinated Indebtedness (including but not limited to principal, interest, additional interest, late payment charges, default interest, attorney's fees, expenses or any other sums secured by the Subordinated Liens) without the Senior Lender's prior, written consent.

(c) The Borrower and the Subordinated Lender agree that a default or an event of default under the Subordinated Indebtedness (or any portion thereof) shall constitute an immediate default under the Senior Indebtedness.

(d) Subject to Senior Lender's prior written notice as provided in Section 11(b), the Subordinated Lender consents to any agreement or arrangement in which the Senior Lender waives, postpones, forebears, extends, reduces or modifies any provisions of the Senior Liens or the Senior Indebtedness, including any provision requiring the payment of money. Subject to Subordinated Lender's prior written consent, the Subordinated Lender's agreement to subordinate hereunder shall also extend to any restructuring of any Senior Indebtedness and any new debt which is advanced for the purpose of refinancing any or all of the Senior Indebtedness (including reasonable and necessary costs associated with the closing and/or the restructuring and/or refinancing), and in that case all the terms and covenants of this Agreement shall inure to the benefit of any holder of any such restructured and/or refinanced debt, provided that thereafter all references to the Senior Indebtedness, the Senior Liens and the Senior Lender shall then be read to refer to any such restructured and/or refinanced loan, as applicable, and all documents evidencing, securing, or otherwise pertaining to the restructured and/or refinanced loan, as applicable.

(e) The Subordinated Lender agrees that, notwithstanding any contrary provision contained in any documents related to the Subordinated Indebtedness (or any portion thereof), a default under the Senior Indebtedness shall not constitute a default under the Subordinated Indebtedness (or any portion thereof) or any document related thereto if no other default occurred under such Subordinated Indebtedness.

12. Miscellaneous.

(a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement shall be construed and enforced in accordance with the laws of the State of California, without regard to the choice of law provisions thereof.

(b) 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.

(c) All notices and other communications hereunder shall be deemed to have been duly given, made, or served, if in writing and delivered personally or mailed by first class mail, postage prepaid, to the respective parties to this Agreement as follows:

SENIOR LENDER:

Wilmington Trust, National Association
650 Town Center Drive, Suite 600
Costa Mesa, CA 92626-7121
Attention: Corporate Trust Service

SUBORDINATE LENDER:

City of San Pablo, California

BORROWER:

Montevista San Pablo AR, L.P.
330 West Victoria Street
Gardena, California 90248
Attention: Michael Costa

with copies to:

TELACU Homes, Inc.
604 N. Eckhoff Street
Orange, CA 92868
Attention: Mr. John Clem

And

Pillsbury Winthrop Shaw Pittman LLP
1200 Seventeenth Street, N.W.
Washington, DC 20036
Attention: Thomas Morton, Esq.

And

Chernove & Associates, Inc.
16027 Ventura Boulevard, Suite 660
Encino, CA 91436
Attention: Sheldon B. Chernove, Esq.

The designation of the person to be so notified or the address of such person for the purposes of such notice may be changed from time to time by similar notice in writing, except that any communication with respect to a change of address shall be deemed to be given and made when received by the party to whom such communication was sent. No other method of notice is precluded by this Section 12(c).

(d) In the event any action is filed to enforce or construe the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees. Attorneys' fees shall include services rendered at both the trial and appellate levels, as well as services rendered in any bankruptcy proceeding or arbitration proceeding.

(e) This Agreement may be signed in any number of counterpart copies, but all such copies shall constitute one and the same instrument.

(f) 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

(g) To the extent permitted by applicable law, each party to this Agreement hereby expressly waives any right to trial by jury of any claim, demand, action, or cause of action (a) arising under the Senior Loan Documents or the Subordinate Loan Documents, except as otherwise set forth therein with respect to arbitration, including, without limitation, any present or future modification therefor or (b) in any way connected with or related or incidental to the dealings of the parties hereto or any of them with respect to the Senior Loan Documents or the Subordinate Loan Documents (as now or hereafter modified) or any other instrument, document or agreement executed or delivered in connection herewith, or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether sounding in contract or tort or otherwise; and each party hereby agrees and consents that any party to this Agreement may file an original counterpart or a copy of this section with any court as written evidence of the consent of the parties hereto to the waiver of their right to trial by jury.

(h) The Borrower, the Senior Lender and the Subordinated Lender each agree that, in the event of any conflict or inconsistency between or among the terms of the Senior Liens, the Senior Indebtedness, the Subordinated Liens or the Subordinated Indebtedness (as the case may be) and the terms of this Agreement, the terms of this Agreement shall govern and control as to: (i) the relative priority of interests between the Senior Lender and the Subordinated Lender; (ii) the timing of the exercise of remedies by the Senior Lender and the Subordinated Lender under the Senior Liens and the Subordinated Liens, respectively; and (iii) solely as between the Senior Lender and the Subordinated Lender, the notice requirements, and the other rights and obligations which the Senior Lender and the Subordinated Lender have agreed to as expressly provided in this Agreement. The Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to: extend the Borrower's time to cure any default in respect of the Senior Indebtedness or the Subordinated Indebtedness, as the case may be; give the Borrower the right to notice of any default in respect of the Senior Indebtedness or the Subordinated Indebtedness, as the case may be other than that, if any, provided respectively under the documents evidencing the Senior Indebtedness or the Subordinated Indebtedness; or create any other right or benefit for the Borrower as against the Senior Lender or the Subordinated Lender.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed by its authorized representative identified below as of the date and year first above written.

BORROWER:

MONTEVISTA SAN PABLO AR, L.P.
a California limited partnership

By: HCHP Affordable Multi-Family, LLC,
a California limited liability company,
its administrative general partner

By: _____
Name: _____
Title: _____

By: TELACU Homes, Inc.,
a California nonprofit corporation,
its managing general partner

By: _____
Name: _____
Title: _____

[Borrower signature page to City of San Pablo Subordination Agreement]

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 the document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____ 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.

Signature: _____

(affix seal in above space)

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 the document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____ 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.

Signature: _____

(affix seal in above space)

SUBORDINATED LENDER:

CITY OF SAN PABLO

By: _____
Name: _____
Title: _____

*[Subordinate Lender signature page to **City of San Pablo** Subordination Agreement]*

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 the document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____ 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.

Signature: _____

(affix seal in above space)

SENIOR LENDER:

[]

By: _____
Name: _____
Title: _____

*[Senior Lender signature page to **City of San Pablo** Subordination Agreement]*

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 the document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____ 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.

Signature: _____

(affix seal in above space)

EXHIBIT A

DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN PABLO IN THE COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel One:

Portion of Lots 161 and 162, as designated on the Map entitled "Map of the San Pablo Rancho, accompanying and forming a part of the Final Report of the Referees in Partition", which Map was filed, in the Office of the Recorder of the County of Contra Costa, State of California, on March 1, 1894, described as follows:

Beginning on the North line of San Pablo Avenue, formerly Alvarado Street, at the line between Lots 161 and 162 of said Rancho; thence from said point of beginning, South 48° East, along said North line, 27 feet to the West line of the parcel of land described in the Deed from Mary H. Luiz to Joe Souza Alameda, dated January 25, 1943 and recorded February 11, 1943 in Book 725, Page 133, Official Records; thence North 42° East, along said line, 199.98 feet to the North line of said Lot 1611; thence North 48° West, along said line, 27 feet to the line between said Lots 161 and 162; thence North 47° 30' West, along the North line of said Lot 162, 182 feet to the most Northerly corner of the parcel of land described in the Deed from Mintzer Estate Company to A.M. Luiz, dated December 24, 1918 and recorded September 8, 1924 in Book 478 of Deeds, Page 141; thence South 42° West, along the West line of said Luiz Parcel (478 D 141), 201.56 feet to said North line of San Pablo Avenue; thence South 48° East, along said line 182 feet to the point of beginning.

Excepting from Parcel One:

That portion thereof conveyed in the Deed from Vera Corporation, a California Corporation, to the Redevelopment Agency of The City of San Pablo, dated October 3, 1985 and recorded October 10, 1985 in Book 12557, Page 381, Official Records, being the parcel of land described as "Parcel Five" in said Deed (12557 OR 381).

Parcel Two:

Portion of Lot 162, as designated on the Map entitled "Map of the San Pablo Rancho, accompanying and forming a part of the Final Report of the Referees in Partition", which Map was filed, in the Office of the Recorder of the County of Contra Costa, State of California, on March 1, 1894, described as follows:

Beginning on the Northeast line of San Pablo Avenue, formerly Alvarado Street, at the most Westerly corner of the 0.839 of an acre parcel of land described in the Deed to A.M. Luiz, recorded September 8, 1924 in Book 478 of Deeds, Page 141; thence from said point of beginning, North 48° West, along said Northeast line of San Pablo Avenue, 50 feet to the Southeast line of the parcel of land described in the Deed to Frank M. Silva, recorded September 2, 1897 in Book 76 of Deeds, Page 236; thence North 42° East, along said line, and the Northeasterly extension thereof, to the Northeast line of said Lot 162; thence South 47° 30' East, along said line, to the Northwest line of said Luiz Parcel (478 D 141); thence South 42° West, along said line, 201.56 feet to the point of beginning.

Parcel Three:

An Non-Exclusive Storm Drainage Easement as created in that certain Drainage Agreement recorded April 30, 2001, as Instrument No. 2001-0110487, Official Records.

Assessor's Parcel Number 417-120-025