STATE OF NORTH CAROLINA  
)  
COUNTY OF BUNCOMBE  
)

THIS SUBORDINATION AGREEMENT (this “Subordination”) made and entered into effective as of the _____ day of _________________, 2020, by BUNCOMBE COUNTY (the “County”) for the benefit of NORTH CAROLINA HOUSING FINANCE AGENCY (“NCHFA”);

W I T N E S S E T H:

WHEREAS, East Haven Apartments, LLC (“Borrower”) executed to Michael C. Frue, as trustee (the “County Trustee”), for the benefit of the County, a certain Deed of Trust (the “County Deed of Trust”), which was recorded on May 31, 2019 in Book 5775, Page 1038, in the Office of the Register of Deeds of Buncombe County, North Carolina, conveying a deed of trust lien and security interest in certain property located in Buncombe County, North Carolina described therein in the Office of the Register of Deeds of Buncombe County, North Carolina, the “Property”); and

WHEREAS, Borrower has executed a Deed of Trust, Assignment of Rents and Leases, and Security Agreement (the “RPP Deed of Trust”) to S. Carrie Freeman, as trustee (“NCHFA Trustee”), in favor of NCHFA which secures a Promissory Note dated _________________, 2020, in the original principal amount of $1,000,000.00 (the “RPP Note”), which is recorded at Book _______, Page _______, Buncombe County Register of Deeds; and
WHEREAS, as a condition to entering into the RPP Note, NCHFA is also requiring that Borrower enter into (i) a Declaration of Deed Restrictions from Borrower for the benefit of NCHFA (the “RPP Deed Restrictions”) which is recorded at Book _______, Page _______, Buncombe County Register of Deeds; and (ii) a UCC Financing Statement naming Borrower as debtor and NCHFA as secured party (the “RPP UCC”) which is recorded at Book _______, Page _______, Buncombe County Register of Deeds; and

WHEREAS, Borrower has requested that the County consent to the filing of the RPP Deed of Trust, the RPP Deed Restrictions and the RPP UCC as a lien and to subordinate the lien of the County Deed of Trust to the right, title, and interest of NCHFA and the NCHFA Trustee and their successors and assigns in and to the RPP Deed of Trust, the RPP Deed Restrictions and the RPP UCC, and the County has agreed to do so on the terms and conditions hereof.

NOW, THEREFORE, in consideration of the premises and the sum of ONE DOLLAR ($1.00), in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County does hereby consent to the RPP Deed of Trust, the RPP Deed Restrictions and the RPP UCC as a lien against the property described therein and further does hereby subordinate the lien of the County Deed of Trust to the right, title and interest of NCHFA and the NCHFA Trustee and their successors and assigns in and to all rights set forth in the RPP Deed of Trust, the RPP Deed Restrictions and the RPP UCC to the same extent as if the RPP Deed of Trust, the RPP Deed Restrictions and the RPP UCC were recorded prior to the County Deed of Trust; provided, however, that it is expressly understood and agreed that, except for this Subordination Agreement, the County Deed of Trust and all and singular of the terms and conditions thereof, shall be and remain in full force and effect and unmodified hereby; and it is further understood and agreed that this Subordination Agreement shall apply only to the RPP Deed of Trust, the RPP Deed Restrictions and the RPP UCC as expressly provided herein and that this Subordination Agreement shall not affect the priority of the County Deed of Trust with respect to any other document or interest.

[SEPARATE SIGNATURE PAGE FOLLOWS]
IN TESTIMONY WHEREOF, the County has caused this instrument to be executed, as of the day and year first above written.

COUNTY:

BUNCOMBE COUNTY

(SEAL)

By: _____________________________________
Name: _____________________________________
Title: _____________________________________

STATE OF NORTH CAROLINA
COUNTY OF _______________________

I, _________________________________, a Notary Public of the County and State aforesaid, certify that ________________________________, either being personally known to me or proven by satisfactory evidence, personally appeared before me this day and acknowledged that (s)he is ________________________________ of Buncombe County, a North Carolina body corporate and politic, and that (s)he, as ________________________________, being authorized to do so, voluntarily executed the foregoing on behalf of the County for the purposes stated therein.

WITNESS my hand and official stamp or seal, this _____ day of _________________, 2020.

____________________________________
Notary Public

My Commission Expires:

____________________________________

[AFFIX NOTARY SEAL/STAMP]