**Recording Requested By** )

**And When Recorded Mail To:** )

)

Attn: Director of Environmental Health )

City and County of San Francisco )

Department of Public Health )

49 South Van Ness Avenue, Suite 600 )

San Francisco, California 94102 )

) Space above for Recorder's Use

APN: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The undersigned hereby declares this instrument to be exempt from recording fees under California Government Code section 27383.

# SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT RESULTS IN THE LIEN OF A DEED OF TRUST AND RELATED DOCUMENTS BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF CERTAIN RESTRICTIONS.

This Subordination Agreement, dated for reference purposes as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2020, is made by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Lender”) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Borrower"), in favor of City and County of San Francisco, a municipal corporation ("City"), acting by and through its Department of Public Health.

RECITALS

1. Borrower is the fee owner of certain property commonly known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and described in the attached Exhibit A (the “Property). Lender has made a loan to Borrower in the initial principal amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dollars ($\_\_\_\_\_\_\_\_\_\_\_\_\_\_) (the “Loan”). In connection with the Loan, Borrower and Lender have entered into a loan agreement, and Borrower has duly executed and delivered to Lender a promissory note evidencing the Loan repayment obligations and a deed of trust securing Borrower’s obligations to Lender (the “Deed of Trust”) that was recorded in the Official Records of the City and County of San Francisco as Instrument No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, in Book \_\_\_, Page \_\_\_\_\_ on DATE\_\_\_\_\_ (collectively, the “Loan Documents”).
2. Borrower has executed a Covenant and Environmental Restriction dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2020 (the “Restrictions”) to be recorded concurrently herewith. The parties understand and agree that the Restrictions unconditionally are and shall remain at all times superior and prior to Lender’s lien under the Loan Documents, as they may be amended from time to time (the “Subordinated Lien”).

**AGREEMENT**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender agree for the benefit of City as follows:

1. The liens of the Loan Documents, including but not limited to the Deed of Trust, and all renewals, modifications, extensions or advances made thereunder, shall unconditionally be and remain at all times subordinate and subject to the Restrictions. Any foreclosure or other similar remedial action under the Loan Documents shall not affect or terminate the Restrictions in any way.

2. Lender intentionally and unconditionally subordinates its interests under the Subordinated Lien in favor of the Restrictions. City would not agree to issue a letter of no further action, under Section 22A.11(c) of the San Francisco Health Code, allowing Borrower to apply for building and grading permits from the San Francisco Department of Building Inspection, without this Subordination Agreement.

3. Lender has received a copy of the Restrictions and consents to and approves of all provisions of the Restrictions.

4. The covenants and agreements contained herein shall be covenants running with the land pursuant to California Civil Code Section 1460 et seq., and shall be binding upon and inure to the benefit and burden of Borrower and Lender and their respective heirs, successors and assigns.

5. This Subordination Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which, when taken together, will constitute one and the same instrument.

6. City shall have the right to record, or cause Borrower to record, this Subordination Agreement in the Official Records of the City and County of San Francisco.

[Signatures follow]

IN WITNESS WHEREOF, the undersigned have executed this Subordination Agreement as of the day and year first above written.

**BORROWER:**

[NAME]

a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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

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

**LENDER:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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

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

**CERTIFICATE OF ACKNOWLEDGMENT  
OF 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 San Francisco | ) |  |

On \_\_\_\_\_\_\_\_\_\_\_, before me, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a 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 |  |  |

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| State of California | ) |  |
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| --- | --- | --- |
| Signature |  |  |

**EXHIBIT A**

Legal Description of Property