

Prepared by/Return to: Stephen D. Lowry, Box 115

**SUBORDINATION AGREEMENT**

THIS SUBORDINATION AGREEMENT (this “Agreement”) is made effective as of this \_\_\_\_ day of \_\_\_\_\_, 2022, by WAKE COUNTY, a body politic and corporate of the State of North Carolina (the “Subordinated Creditor”) to and for the benefit of CASA (the “Borrower”) and Self Help Credit Union (the “Lender”). The Subordinated Creditor is the present owner and holder of one or more notes, the repayment of which is secured by a deed of trust duly recorded in the Office of the Register of Deeds for Wake County, North Carolina in Book \_\_\_\_\_, Page \_\_\_\_\_, Wake County Registry (the “Deed of Trust”) and a UCC Financing Statement recorded in the Office of the Register of Deeds for Wake County, North Carolina in Book \_\_\_\_\_, Page \_\_\_\_\_ (the “Financing Statements”)

In connection with the Deed of Trust, Borrower and Subordinated Creditor entered into that certain Declaration of Deed Restrictions (the “Restrictions”) dated \_\_\_\_\_, recorded in the Registry of Wake County, North Carolina, in Book \_\_\_\_\_, Page \_\_\_\_\_, restricting the use and development of the Property for affordable housing purposes.

The Lender is (i) the beneficiary under a Deed of Trust (the “Lender’s Deed of Trust”) from the Borrower to a Trustee for the benefit of Lender, recorded or intended to be recorded immediately prior hereto in the Registry of Wake County, North Carolina, and covering the property described in attached Exhibit A (the “Property”), and (ii) other security instruments securing the loan, including without limitation financing statements (the “Lender’s Security Instruments”). It was a condition precedent to the Lender accepting the Lender’s Deed of Trust and the Lender’s Security Instruments as security and collateral for a loan to and in favor of the Borrower in the principal amount of up to \$3,215,315.00 that the security interest and lien of the Deed of Trust and the Security Instruments, and the terms and provisions of the Restrictions, be subordinated to the lien and security interest of the Lender’s Deed of Trust and the Lender’s Security Instruments.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10,00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Subordinated Creditor hereby unconditionally subordinates and waives the priority of the Deed of Trust and the

Financing Statements, and the lien and security interest created thereby, and the provisions of the Restrictions and the terms and provisions thereunder, in favor of the Lender's Deed of Trust, the Lender's Financing Statements, and the lien and security interest of the Lender's Deed of Trust and the Lender's Financing Statements, in the aggregate principal amount of up to \$3,215,315.00 together with interest thereon and all sums advanced for the purpose of protecting or further security the lien thereof or for any other purpose expressly permitted pursuant to the Lender's Deed of Trust or the Lender's Financing Statements, provided the maximum principal amount secured by the Lender's Deed of Trust shall not at any time exceed the original principal amount of the Lender's loans as stated herein. As between the Deed of Trust, the Financing Statements, and the Restrictions, on one hand, and the Lender's Deed of Trust and the Lender's 3,215,315.00, on the other hand, the Lender's Deed of Trust and the Lender's 3,215,315.00 shall be a prior lien and security interest upon the Property and the collateral described therein, with all the rights and remedies of a prior security interest and lien incident thereto. The Subordinated Creditor waives notice of the Lender's acceptance of and reliance on this Agreement.

The Deed of Trust, the Financing Statements, and the Restrictions are and shall be subordinate, subject to and inferior to the Lender's Deed of Trust and the Lender's 3,215,315.00. This Agreement shall be binding upon the Subordinated Creditor, its successors and assigns, and shall operate to the benefit of the Lender and the trustee under the Lender's Deed of Trust, their heirs, beneficiaries, successors and assign, and any purchaser at any foreclosure sale instituted pursuant to the Lender's Deed of Trust or the Lender's 3,215,315.00.

So long as the Lender's Deed of Trust or the Lender's 3,215,315.00 remain outstanding, the Subordinated Creditor shall deliver to the Lender (i) written notice of any default under the Deed of Trust, the Financing Statements, or the Restrictions at the same time as, and whenever any such notice of default shall be sent to the Borrower and (ii) written notice of the commencement of any enforcement action under the Restrictions, the Financing Statements, or the Deed of Trust. Lender's address for the purposes of this paragraph is 6204 Falls of Neuse Road, Raleigh NC 27609. All such notices shall be sent by registered or certified mail, return receipt requested.

IN WITNESS WHEREOF, the parties hereto have subscribed their respective signatures hereto under their respective seals as of the day and year first written above.

**[SIGNATURES ON FOLLOWING PAGES]**

SUBORDINATED CREDITOR:

WAKE COUNTY

By: \_\_\_\_\_  
Chair of the Wake County Board of Commissioners

STATE OF NORTH CAROLINA  
COUNTY OF WAKE

I, the undersigned, a Notary Public in and for the said State and County, do hereby certify that \_\_\_\_\_ personally appeared before me this day and acknowledged that he/she is the Chair of the Wake County Board of Commissioners and that by authority duly given and as the act of the County, he/she executed the forgoing on behalf of the County.

WITNESS my hand and notarial seal this the \_\_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Notary Public

My Commissioner expires: \_\_\_\_\_

**Exhibit A**  
**Legal Description**

BEING THAT TRACT OF LAND SITUATED IN THE CITY OF RALEIGH, WAKE COUNTY, NORTH CAROLINA AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN EXISTING IRON PIPE ON THE NORTHERN RIGHT OF WAY SUNGATE BOULEVARD, SAID IRON BEING THE SOUTHERNMOST CORNER OF LOT 2 AS SHOWN IN BOOK OF MAPS 2012, PAGE 285 OF THE WAKE COUNTY REGISTER OF DEEDS AND HAVING NORTH CAROLINA GRID COORDINATES OF N=738,350.14' AND E=2,124,477.95'; THENCE FROM THE POINT OF BEGINNING, LEAVING SAID RIGHT OF WAY, NORTH 65° 04' 17" WEST FOR A DISTANCE OF 484.36 FEET TO AN EXISTING IRON PIPE; THENCE NORTH 00° 58' 49" WEST FOR A DISTANCE OF 260.56 FEET TO A COMPUTED POINT IN A CREEK; THENCE SOUTH 24° 56' 16" EAST FOR A DISTANCE OF 9.43 FEET TO A COMPUTED POINT IN A CREEK; THENCE SOUTH 31° 57' 24" EAST FOR A DISTANCE OF 19.29 FEET TO A COMPUTED POINT IN A CREEK; THENCE SOUTH 65° 05' 43" EAST FOR A DISTANCE OF 44.16 FEET TO A COMPUTED POINT IN A CREEK; THENCE SOUTH 54° 27' 41" EAST FOR A DISTANCE OF 43.02 FEET TO A COMPUTED POINT IN A CREEK, THENCE SOUTH 60° 24' 26" EAST FOR A DISTANCE OF 66.20 FEET TO A COMPUTED POINT IN A CREEK; THENCE NORTH 01° 01' 25" WEST FOR A DISTANCE OF 151.71 FEET TO AN EXISTING IRON PIPE; THENCE NORTH 53° 39' 42" WEST FOR A DISTANCE OF 71.47 FEET TO AN EXISTING IRON PIPE; THENCE NORTH 01° 00' 51" WEST FOR A DISTANCE OF 211.18 FEET TO A MAGNETIC NAIL SET ON THE SOUTHERN RIGHT OF WAY OF CARL SANDBURG COURT; THENCE ALONG SAID RIGHT OF WAY FOR 3 CALLS, WITH A CURVE TO THE RIGHT, HAVING AN ARC LENGTH OF 272.09 FEET, A RADIUS OF 1684.51 FEET, AND A CHORD BEARING OF SOUTH 85° 36' 18" EAST FOR A DISTANCE OF 271.79 FEET TO AN IRON PIPE SET; THENCE SOUTH 81° 05' 40" EAST FOR A DISTANCE OF 76.26 FEET TO AN EXISTING IRON PIPE, THENCE ALONG A CURVE TO THE RIGHT, WITH AN ARC LENGTH OF 34.96 FEET, A RADIUS OF 25.00 FEET, A CHORD BEARING OF SOUTH 41° 01' 46" EAST FOR A DISTANCE OF 32.18 FEET TO AN EXISTING IRON PIPE, THENCE SOUTH 00° 57' 52" EAST FOR A DISTANCE OF 687.36 FEET TO AN EXISTING IRON PIPE, THENCE ALONG A CURVE TO THE RIGHT, WITH AN ARC LENGTH OF 32.74 FEET, A RADIUS OF 25.00 FEET, A CHORD BEARING OF SOUTH 36° 33' 04" WEST FOR A DISTANCE OF 30.45 FEET TO AN EXISTING IRON PIPE, SAID PIPE BEING THE POINT AND PLACE OF BEGINNING, AND CONTAINING 260,874 S.F. OR 5.9888 AC.