

apw 1220-24-201-016

DOUGLAS COUNTY, NV **2019-936132**
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\$35.00 Pgs=6 10/03/2019 10:31 AM
TOIYABE TITLE
KAREN ELLISON, RECORDER

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

ARCH CBT SPE, LLC
567 SAN NICOLAS DRIVE SUITE 230
NEWPORT BEACH, CA 92660

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

SUBORDINATION AGREEMENT (PROPERTY)

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

This SUBORDINATION AGREEMENT (PROPERTY) ("**Agreement**") is made as of September 30, 2019, by and among ARCH CBT SPE, LLC, a California limited liability company ("**Senior Lien Holder**") and NPI DEBT FUND I, L.P., a California limited partnership ("**Junior Lien Holder**").

RECITALS

A. Senior Lien Holder has made a loan ("**Senior Loan**") to Red Tail Capital, Llc Series Y ("**Borrower**"), which Senior Loan is evidenced by that certain promissory note dated as of September 30, 2019, given by Borrower ("**Senior Note**"). The Senior Loan is secured by a first priority lien encumbrance dated as of September 30, 2019, by and between Senior Lien Holder and Borrower ("**Senior Deed of Trust**"), encumbering that certain property owned by Borrower, and more particularly described on **Exhibit "A"** of the Senior Deed of Trust ("**Property**"). The security interests granted by Borrower to Senior Lien Holder shall be referred to as the "**Senior Lien**."

B. The Senior Note, the Senior Deed of Trust, the Senior Lien and all of the other related documents and materials shall be referred to collectively as the "**Senior Obligation Documents**."

C. As used herein, the term "**Senior Obligations**" means any and all indebtedness, claims, debts, liabilities or other obligations to Senior Lien Holder under the Senior Obligation Documents, together with all costs and expenses, including attorneys' fees, of collection thereof.

D. Junior Lien Holder has also made a loan ("**Junior Loan**") to Borrower, which Junior Loan is evidenced by that certain promissory note dated as of September 30, 2019, given by Borrower ("**Junior Note**"). The Junior Loan is secured by a second priority lien encumbrance dated as of September 30, 2019, by and between Junior Lien Holder and Borrower ("**Junior Deed of Trust**"), encumbering the Property. The security interests granted by Borrower to Junior Lien Holder shall be referred to as the "**Junior Lien**."

E. The Junior Note, the Junior Deed of Trust, the Junior Lien and all of the other related documents and materials shall be referred to collectively as the "**Junior Obligation Documents**."

F. As used herein, the term "**Junior Obligations**" means any and all indebtedness, claims, debts, liabilities or other obligations to Junior Lien Holder under the Junior Obligation Documents, together with all costs and expenses, including attorneys' fees, of collection thereof.

G. Senior Lien Holder, and Junior Lien Holder, among other parties, are parties to that certain Master Subordination Agreement dated of as April 11, 2016 ("**Master Subordination Agreement**"), whereby Senior Lien Holder and Junior Lien Holder agreed the Senior Obligations, Senior Loan and Senior Lien would be, at all times, prior and superior to the Junior Obligations, Junior Loan and Junior Lien.

H. Pursuant to this Agreement, Junior Lien Holder and Senior Lien Holder acknowledge, agree, and reaffirm that the Senior Deed of Trust given by Borrower in favor of Senior Lien Holder shall be prior and superior to the Junior Deed of Trust given by Borrower in favor of Senior Lien Holder.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, it is hereby declared, understood, and agreed as follows:

1. **SUBORDINATION OF THE JUNIOR LIEN.** The Senior Lien, including the Senior Deed of Trust in favor of Senior Lien Holder, and any renewals, modifications or extensions thereof (including those which increase the loan amount or interest rate, extend the maturity date, eliminate any interest reserve requirements, or change any of the terms and conditions of the Senior Obligation Documents), shall unconditionally be and remain at all times prior and superior to the Junior Lien, including the Junior Deed of Trust in favor of Senior Lien Holder.

2. **MASTER SUBORDINATION AGREEMENT.** The terms and conditions of the Master Subordination Agreement are incorporated by reference with respect to the Borrower and the Property. Senior Lien Holder and Junior Lien Holder agree that (i) Borrower is an "**Obligor**" (as such term is used and defined in the Master Subordination Agreement), (ii) the Senior Note is a "**Senior Note**" (as such term is used and defined in the Master Subordination Agreement), (iii) the Senior Deed of Trust is a "**Senior Deed of Trust**" (as such term is used and defined in the Master Subordination Agreement); (iv) the Senior Obligations are "**Senior Indebtedness**" (as such term is used and defined in the Master Subordination Agreement), (v) the Junior Note is a "**Junior Lien Holder Note**" (as such term is used and defined in the Master Subordination Agreement), (vi) the Junior Deed of Trust is a "**Junior Lien Holder Deed of Trust**" (as such term is used and defined in the Master Subordination Agreement), and (vii) the Junior Obligations are "**Junior Obligations**" (as such term is used and defined in the Master Subordination Agreement).

3. **PRIORITY OF PAYMENTS.**

3.1 Any and all Junior Obligations are hereby subordinated and subject to any and all Senior Obligations. Junior Lien Holder shall not receive any principal payments under the Junior Obligation Documents unless the obligations under Senior Obligation Documents have been paid in full. Junior Lien Holder may receive interest payments under the Junior Obligation Documents so long as no Event of Default exists under the Senior Obligation Documents.

3.2 The Senior Obligations now or hereafter existing, to the extent then due, shall be first paid by Borrower before any payment shall be made by Borrower on the Junior Obligations.

3.3 This priority of payment shall apply at all times until all of the Senior Obligations have been repaid in full.

4. **COUNTERPARTS.** This Agreement may be executed in multiple counterparts and the signature page(s) and acknowledgment(s) assembled into one original document for recordation, and the validity hereof shall not be impaired by reason of such execution in multiple counterparts.

5. **GOVERNING LAW.** This Agreement is to be governed according to the laws of California.

6. **PAYMENT OF FEES AND COSTS.** In the event of action, suit, proceeding or arbitration to enforce any term of this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party, as determined by the court or arbitrator, all of the prevailing party's costs and expenses, including without limitation reasonable attorneys' fees and expert witness fees, incurred by the prevailing party in connection therewith.

7. **TERMINATION.** This Agreement shall automatically terminate, without need to record any other document or instrument, when all amounts owed under the Senior Note have been fully paid and satisfied, all of the obligations of Borrower to Senior Lien Holder under the Senior Obligation Documents have been paid and performed in full, and Senior Lien Holder has no remaining obligations to extend credit under the Senior Obligation Documents. Upon request of any party, or the successor or assign of any party, at any time thereafter, each party hereto, or its successor or assign, shall execute and deliver, in recordable form, an instrument confirming the termination of this Agreement, which instrument shall be recorded in the appropriate county records at the request of any party hereto or its successor or assign.

8. **HEIRS, SUCCESSORS AND ASSIGNS.** The terms of this Agreement shall bind and benefit the heirs, legal representatives, successors and assigns of the parties.

[The balance of this page is intentionally left blank.]


IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH MAY ALLOW THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE PROPERTY.

JUNIOR LIEN HOLDER

NPI DEBT FUND I, L.P., a California limited partnership

By: Newport Private Investments, Inc., a California corporation, its General Partner

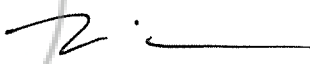
By: 
Name: Michael A. Monaco
Title: Vice President

SENIOR LIEN HOLDER

ARCH CBT SPE, LLC, a California limited liability company

By: Arch Bridge Loans, LLC, a California limited liability company, its Manager

By: Newport Private Investments, Inc., a California corporation, its Business Manager

By: 
Name: Michael A. Monaco
Title: Vice President

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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 Orange)

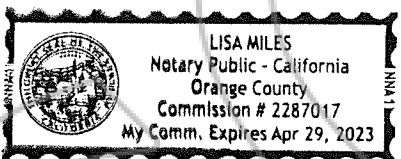
On October 2, 2019, before me, Lisa Miles
Date *(Here Insert Name and Title of the Officer)*

personally appeared Michael Manaco
Name(s) of Signer(s)

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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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 Orange)

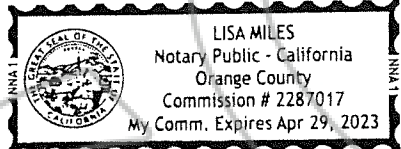
On October 2, 2019, before me, Lisa Miles
Date *(Here Insert Name and Title of the Officer)*

personally appeared Michael Mendico
Name(s) of Signer(s)

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 [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above