

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO

Name
Street
Address
City
State
Zip

COMERICA BANK-CALIFORNIA
Attn: CRELO - Cindy Tan
75 East Trimble Road, M.C. 4771
San Jose, CA 95131

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SUBORDINATION AGREEMENT

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

THIS AGREEMENT, made this 1st day of May, 2003, by PENINSULA CONFLICT RESOLUTION CENTER, a California nonprofit public benefit corporation, owner of the land hereinafter described and hereinafter referred to as "Owner," and COUNTY OF SAN MATEO, present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH:

THAT WHEREAS, Owner did execute a deed of trust, dated July 13, 2001, to UNITED STATES ESCROW TRUST DEED COLLECTIONS, as trustee, covering certain property located in the County of San Mateo, State of California (the "Property"), more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, to secure a note in the sum of Four Hundred Seventy Seven Thousand One Hundred Twenty-five Dollars (\$477,125.00), dated July 13, 2001, in favor of Beneficiary, which deed of trust was recorded on July 18, 2001, as Instrument No. 2001-109096, Official Records of the County of San Mateo, State of California ("Subordinated Deed of Trust"); and

WHEREAS, Owner has executed, or is about to execute, a deed of trust covering the Property ("Senior Deed of Trust") and a note in the sum of FIVE HUNDRED NINETY-FOUR THOUSAND DOLLARS (\$594,000.00) dated May 1, 2003, in favor of COMERICA BANK-CALIFORNIA, a California banking corporation, hereinafter referred to as "Lender," payable with interest and upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that the Senior Deed of Trust shall unconditionally be and remain at all times a lien or charge upon the Property, prior and superior to the lien or charge of the Subordinated Deed of Trust; and

WHEREAS, Lender is willing to make said loan provided the Senior Deed of Trust shall at all times be a lien or charge upon the Property prior and superior to the lien or charge of the Subordinated Deed of Trust and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the Subordinated Deed of Trust to the lien or charge of the Senior Deed of Trust in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the Senior Deed of Trust shall, when recorded, constitute a lien or charge upon the Property which is unconditionally prior and superior to the lien or charge of the Subordinated Deed of Trust.

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, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

(1) That the Senior Deed of Trust securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the Subordinated Deed of Trust.

(2) That Lender would not make its loan above described without this Subordination Agreement.

(3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Subordinated Deed of Trust to the lien or charge of the Senior Deed of Trust and shall supersede and cancel, but only insofar as would affect the priority between the deeds of trust hereinbefore specifically described, any prior agreements as to such subordination, including, but not limited to, those provisions, if any, contained in the Subordinated Deed of Trust, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that:

(a) It consents to and approves (i) all provisions of the Senior Deed of Trust and the note secured thereby, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;

(b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;

(c) It intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Subordinated Deed of Trust in favor of the lien or charge upon said land of the Senior Deed of Trust and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and

(d) An endorsement has been placed upon the note secured by the Subordinated Deed of Trust that said deed of trust has by this instrument been subordinated to the lien or charge of the Senior Deed of Trust.

(4) That this Subordination Agreement shall be binding upon and shall inure to the benefit of the respective successors and assigns of the parties hereto.

(5) This Subordination Agreement may be executed in counterparts which together shall constitute but one and the same original.

**NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH
ALLOWS 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 LAND.**

BENEFICIARY:

COUNTY OF SAN MATEO

By: _____

Its: _____

OWNER:

PENINSULA CONFLICT RESOLUTION CENTER,
a California nonprofit public benefit corporation

By:  _____

Its: John Bejarano
President

**IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT,
THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.**

EXHIBIT "A"

All that certain real property is situated in the City of Belmont, County of San Mateo, State of California, described as follow:

Lots 17, 18 and 19, Block 3, as shown on that certain Map entitled, "BAY VIEW HEIGHTS, SAN MATEO COUNTY, CALIFORNIA", filed in the office of the Recorder of the County of San Mateo, State of California on October 18, 1926 in Book 14 of Maps at pages 39 and 40.

Joint Plant No.: 045-024-244-01a

Assessor's Parcel No.: 045-244-010

Commonly known as: 1300 El Camino Real, Belmont, California

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN MATEO)

On 4/8/03, before me, the undersigned, a Notary Public in and for said State, personally appeared JOHN ROBERT BEJARANO, personally known to me (or 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.

WITNESS my hand and official seal.

[Signature]
NOTARY PUBLIC



STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me (or 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.

WITNESS my hand and official seal.

NOTARY PUBLIC