

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

ESCROW NO:
TITLE ORDER NO:

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN:

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 _____, by _____,

owner of the land hereinafter described and hereinafter referred to as "Owner," and

present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, _____, did on _____, execute a deed of trust, to _____, as trustee, covering:

to secure a note in the sum of \$ _____, dated _____, in favor of _____, which deed of trust was recorded as Instrument No. _____, on _____, in book _____, page _____, Official Records of said county and is subject and subordinate to the deed of trust next hereinafter described; and

WHEREAS, _____, did on _____, execute a deed of trust, to _____, as trustee, covering said land and securing an indebtedness in the amount of \$ _____, in favor of _____, hereinafter referred to as "Lender," which deed of trust was recorded as Instrument No. _____, on _____, in book _____, page _____, Official Records of said county and provides among other things that it shall also secure additional loans and advances thereafter made upon the terms and conditions therein set forth; and

WHEREAS, Owner has executed, or is about to execute, a note in the amount of \$ _____, dated _____, in favor of Lender, payable with interest and upon the terms and conditions described therein, which note evidences an additional loan to be made by Lender to Owner under the terms and provisions of _____, and secured by, said deed of trust in favor of Lender; and

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WHEREAS, it is a condition precedent to obtaining said additional loan that said deed of trust in favor of Lender, securing all obligations recited therein as being secured thereby, including but not limited to said additional loan, shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the deed of trust first above mentioned; and

WHEREAS, Lender is willing to make said additional loan provided the deed of trust securing the same is a lien or charge upon said land prior and superior to the lien or charge of the deed of trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the deed of trust first above mentioned to the lien or charge of said deed of trust in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make said additional loan to Owner; and Beneficiary is willing that the deed of trust securing the same shall constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the deed of trust first above mentioned.

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 additional loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said deed of trust in favor of Lender, as to said additional loan as well as all other obligations recited as being secured thereby, 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 deed of trust first above mentioned.
- (2) That Lender would not make its additional 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 deed of trust first above mentioned to the lien or charge of the deed of trust in favor of lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the deeds of trust hereinbefore specifically described, any prior agreement as to such subordination including, but not limited, those provisions, if any, contained in the deed of trust first above mentioned, 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) He consents to and approves (i) all provisions of the note evidencing said additional loan and the deed of trust securing same, 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 additional 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 part;
- (c) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the deed of trust first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of Lender, as to said additional loan as well as all other obligations recited therein as being secured thereby, 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

