

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 financing statement hereinafter described and hereinafter referred to as "Secured Party".

**WITNESSETH**

THAT WHEREAS, \_\_\_\_\_, did execute a financing statement, dated \_\_\_\_\_, in favor of \_\_\_\_\_, which financing statement was recorded \_\_\_\_\_, in book \_\_\_\_\_ page \_\_\_\_\_, Official Records of said County; and on the property described as follows:

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$ \_\_\_\_\_, dated \_\_\_\_\_, in favor of \_\_\_\_\_, 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 said deed of trust 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 financing statement; and

WHEREAS, Lender is willing to make said loan provided the deed of trust securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the financing statement and provided that Secured Party will specifically and unconditionally subordinate the lien or charge of the financing statement to the lien or charge of the deed of trust in favor of Lender; and

APN:

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Secured Party is willing that the deed of trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the financing statement.

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 said 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 financing statement.
- (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 financing statement 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 deed of trust and financing statement hereinbefore specifically described, any prior agreement as to such subordination including, but not limited, those provisions, if any, contained in the financing statement, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust to another mortgage or mortgages or to another financing statement.

Secured Party declares, agrees and acknowledges that

- (a) He consents to and approves (i) all provisions of the note and deed of trust in favor of Lender above referred to, 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) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the financing statement first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of Lender above referred to 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 financing statement first above mentioned that said financing statement has by this instrument been subordinated to the lien or charge of the deed of trust in favor of Lender above referred to.

