

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO

NAME

ADDRESS

CITY

STATE&ZIP

Title Order No.

Escrow No.

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 _____, 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

_____ executed a deed of trust, dated _____, to _____ as trustee, covering:

to secure a note in the sum of _____ dated _____ in favor of:

which deed of trust was recorded _____, in book _____ page _____ Instrument # _____ Official Records of said county; and

WHEREAS, Owner, as lessor, has executed, or is about to execute a lease dated _____, covering the above described land, in favor of _____, as lessee, for the term and upon and subject to the provisions therein set forth, which lease is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to the execution of said lease by the lessee named therein that said lease and the leasehold estate created thereby together with all rights and privileges of Lessee thereunder shall unconditionally be and remain at all times prior and superior to the lien or charge upon said land of the deed of trust first above mentioned; and

WHEREAS, it is to the mutual benefit of the parties hereto that lessee enter into said lease with Owner; and Beneficiary is willing that the lien or charge of the deed of trust first above mentioned be subordinated and made subject to said lease and to the leasehold estate created thereby together with all rights and privileges of Lessee thereunder,

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 the lessee named in the above referred to lease to enter into said lease, it is hereby declared, understood and agreed as follows:

(1) That said lease and the leasehold estate created thereby together with all rights and privileges of Lessee thereunder shall unconditionally be and remain at all times prior and superior to the lien or charge of the deed of trust first above mentioned, and the lien or charge of the deed of trust first above mentioned is hereby made subject and subordinate to said lease and to the leasehold estate created thereby together with all rights and privileges of Lessee thereunder,

(2) That lessee would not enter into said lease 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 above mentioned to the lease above referred to and to the leasehold estate created thereby together with all rights and privileges of Lessee thereunder, and shall supersede and cancel, but only insofar as would affect the priority between the deed of trust and the lease hereinbefore specifically described, and prior agreements as to such subordination, including, but not limited to, those provisions, if any, contained in the deed of trust above mentioned, which provide for the subordination of the lien or charge thereof to a lease.

Beneficiary declares, agrees and acknowledges that

(a) He consents to and approves the term of the lease above referred to and all of the provisions therein set forth;

(b) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the deed of trust above mentioned in favor of the lease and leasehold estate created thereby together with all rights and privileges of Lessee thereunder as above referred to, and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination specific contracts 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

(c) An endorsement has been placed upon the note secured by the deed of trust above mentioned that said deed of trust has by this instrument been subordinated to the lease and to the leasehold estate created thereby together with all rights and privileges of Lessee thereunder as above referred to.

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.

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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

(CLTA SUBORDINATION FORM "E")