

Continental Land Title Company

RECORDED IN OFFICIAL RECORDS
JUN 30 1989 AT 4:30 PM
SAN BERNARDINO COUNTY, CALIF.

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AND WHEN RECORDED MAIL TO

NAME City of Redlands
ADDRESS P. O. Box 280
CITY & STATE Redlands CA 92373
ATTN: City Clerk

89-239872

SPACE ABOVE THIS LINE FOR RECORDER'S USE

RE: Loan No. 04-255445-71

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 22nd day of June, 19 89, by See Exhibit "A" attached hereto and made a part hereof..... owner of the land hereinafter described and hereinafter referred to as "Owner", and the CITY OF REDLANDS, a municipal corporation, present owner and holder of the Lien Agreement first hereinafter described and hereinafter referred to as "City";

WITNESSETH

THAT WHEREAS Dwight W. Yeoman and Linda L. Yeoman did execute a Lien/Agreement to Secure Construction of Public Improvements, dated September 28, 1988, to the City of Redlands, a municipal corporation, as trustee, covering:

Lot 7, Tract No. 12808, in the City of Redlands, County of San Bernardino, State of California, as per map recorded in Book 102, pages 79 through 84, inclusive, of Maps in the office of the County Recorder of said County

to secure alien in the sum of \$6,155.81 * * * * *, dated September 28, 1988, in favor of the City of Redlands, a municipal corporation, which Lien/Agreement was recorded September 30, 1988 as Inst. #88-329662 x page xxxxxxxxxx Official Records of said county; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$372,000.00-- dated June 7, 1989, in favor of Bank of Redlands, a division of Community Bank, a State 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 said deed of trust last above mentioned 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 Lien first above mentioned; 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 Lien first above mentioned and provided that City will specifically and unconditionally subordinate the lien or charge of the Lien Agreement first above mentioned to the lien or charge of the 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 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 Lien 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 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 Lien first above mentioned.
- (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 Lien 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 liens hereinbefore specifically described, any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in the Lien 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.

City declares, agrees and acknowledges that

- (a) It 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) It intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Lien Agreement 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 note secured by the deed of trust first above mentioned that said deed of trust has by this instrument been subordinated to the lien or charge of the deed of trust in favor of Lender 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.

NIEMEYER DEVELOPMENT CORPORATION, a Calif. corp.

CITY OF REDLANDS, a municipal corporation

By: David N. Niemeyer, President

By: John E. Holmes
John E. Holmes, City Manager
Beneficiary

Molly Jo Jack Gee

(All signatures must be acknowledged) Richard D. Jack

Jacquelyn Joan Jack

89-239872

RE: Loan No. 04-255445-71
TRUSTORS

E X H I B I T "A"

NIEMEYER DEVELOPMENT CORPORATION, a California corporation, as to an undivided $\frac{1}{2}$ interest, MOLLY JO JACK GEE, a married woman as her sole and separate property, as to an undivided $\frac{1}{4}$ interest, AND RICHARD D. JACK AND JACQUELYN JOAN JACK, husband and wife, as community property, as to an undivided $\frac{1}{4}$ interest, Trustors

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