



AGREEMENT TO SUBORDINATE

Prepared by: Agent _____
Broker _____

Phone _____
Email _____

NOTE: This agreement to subordinate results in your security interest in the property becoming subject to and of lower priority than the lien of some other or later security device.

DATE: _____, 20____, at _____, California.

Items left blank or unchecked are not applicable.

FACTS:

1. This is an addendum to the following agreement:

- Purchase agreement
- Escrow instructions
- Trust deed
-

1.1 dated _____, 20____, at _____, California,

1.2 entered into by _____, as the Buyer/Trustor, and _____, as the Seller/Beneficiary,

1.3 regarding real estate referred to as _____.

AGREEMENT:

2. Provided Trustor is not in default on the Beneficiary's trust deed, Beneficiary shall, on written request of Trustor, subordinate his trust deed to a new first trust deed loan to be obtained by Trustor prior to _____, 20____.

3. The terms of the new first trust deed loan shall include:

- 3.1 A principal amount not to exceed \$_____.
- 3.2 An annual rate of interest not exceeding _____%.
- 3.3 Interest to accrue on the remaining balance at a fixed rate, or adjustable rate.
- 3.4 A term not less than _____ years, not more than _____ years.
- 3.5 Amortization of the loan payable monthly over _____ years, until paid, or with a final balloon payment due in not less than _____ years.
- 3.6 Origination fees and finance charges to be disbursed from the loan proceeds may not exceed _____ points and \$_____, respectively.
- 3.7 Other _____

4. Trustor shall use the net proceeds from this loan to improve the real property, both onsite and offsite. The primary construction to be _____

5. Trustor shall use the net proceeds from this loan to pay _____

6. Trustor shall receive \$_____ cash back from the loan proceeds. These funds to be used for the following purpose(s) _____

7. **NOTICE: This subordination agreement contains a provision allowing the person obligated on your real property security device to obtain a loan, a portion of which may be expended on purposes other than improvements on the real property.**

See attached Signature Page Addendum. [ft Form 251]
 Date: _____, 20____

Buyer/Trustor: _____

Buyer/Trustor: _____

See attached Signature Page Addendum. [ft Form 251]
 Date: _____, 20____

Seller/Beneficiary: _____

Seller/Beneficiary: _____