AGREEMENT TO SUBORDINATE

NOTE: This form is used by an agent when negotiating terms for the subordination of trust deed debt, to state the conditions under which the trust deed holder will subordinate their trust deed to a future debt and trust deed the owner will record.

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 will, on written request of Trustor, subordinate their 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 will 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, and 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 is to use the net proceeds from this loan to improve the real property, both onsite and offsite.
    The primary construction to be _____
    _____
    _____
    _____

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

6. Trustor is to 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. [**RPI** Form 251] Date: _____, 20_____	☐ See attached Signature Page Addendum. [**RPI** Form 251] Date: _____, 20_____
Buyer/Trustor: _____	Seller/Beneficiary: _____
Buyer/Trustor: _____	Seller/Beneficiary: _____