

This document may affect your legal rights. Legal advice should be obtained in the drafting of any legal document.

SUBORDINATION AGREEMENT

THIS AGREEMENT, is made on this day of _____, by _____, owner (the "Owner") of the real property hereinafter described (the "Property"), and _____, present holder of the deed of trust and note first hereinafter described (the "Beneficiary");

WITNESSETH

THAT WHEREAS, _____ executed a Deed of Trust, dated _____, to the Public Trustee of the _____ and County of _____, State of Colorado, for the benefit of Beneficiary and which encumbers the following described real property, to-wit:

to secure a note in the sum of _____ dated _____, in favor of _____, which Deed of Trust was recorded _____, in Book _____, at Page _____, Reception No. _____ Official Records of said County; and

WHEREAS, Owner has now executed a Note and Deed of Trust in the sum of _____, dated _____ in favor of _____, (the "Lender"), payable with interest and upon the terms and conditions described therein and which will be recorded in the Official Records of said County and which will also encumber the Property; and

WHEREAS, it is a condition precedent to obtaining the new loan from Lender that said Deed of Trust last above mentioned shall unconditionally be and remain at all times a lien or charge upon the Property, prior and superior to the lien or charge of the Deed of Trust held by Beneficiary 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 Deed of Trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the Deed of Trust 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 Beneficiary is willing that the Deed of Trust securing the new loan shall constitute a lien or charge upon the Property which is unconditionally prior and superior to the lien or charge of the Deed of Trust 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 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 Deed of Trust 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 Deed of Trust 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 Deeds of Trust hereinbefore specifically described, any prior agreements as to such

When recorded return to: _____

subordination, including, but not limited to, those provisions, if any, contained in the Deed of Trust 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.

Beneficiary declares, agrees and acknowledges that:

(1) He consents to and approves (i) all provisions of the Note and Deed of Trust in favor of Lender, 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.

(2) 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(s) 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.

(3) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Deed of Trust 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.

(4) 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.

OWNER(S):

STATE OF _____)
)ss.
_____ County of _____)

The foregoing instrument was acknowledged before me on this day of _____,
by _____.

My Commission expires: _____
Witness my hand and official seal.

NOTARY PUBLIC

BENEFICIARY:

STATE OF _____)
)ss.
_____ County of _____)

The foregoing instrument was acknowledged before me on this day of _____,
by _____.

My Commission expires: _____
Witness my hand and official seal.

NOTARY PUBLIC