

Order No. 43030250 -SM
Escrow No. 43030250
Loan No. 18301470

WHEN RECORDED MAIL TO:

The Redevelopment Agency of the City of
Redwood City
P.O. Box 391
Redwood City, CA 94064



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 this 8th day of April, 2003, by Pat Kelly, owner of the land hereinafter described and hereinafter referred to as "Owner", and The Redevelopment Agency of the City of Redwood City present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, Pat Kelly did execute a deed of trust, dated June 25, 2001, to Stewart Title Co., as trustee, covering:

See Exhibit A attached hereto and made a part hereof.

to secure a note in the sum of \$95,600.00 dated June 25, 2001, in favor of The Redevelopment Agency of the City of Redwood City, which deed of trust was recorded June 29, 2001, in book n/a page n/a, Series #2001-098211, Official Records of San Mateo county; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$137,300.00 dated May 12, 2003, in favor of Chase Manhattan Mortgage 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 deed of trust 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 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 deed of trust first above mentioned.

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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 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 agreement as to such 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

- (a) He 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) 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; 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.

The Redevelopment Agency of the City of Redwood City

By: Beneficiary

Debb Jones-Thomas

Pat Kelly
Pat Kelly

Housing Coordinator

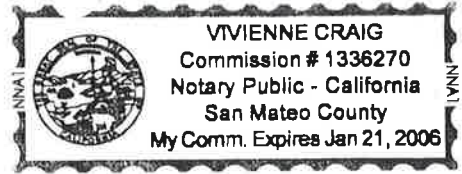
Debb: ~~Thomas~~ Jones-Thomas

(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 "A")

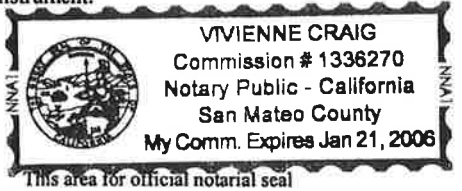




STATE OF CALIFORNIA)SS
COUNTY OF)

On April 15, 2003 before me, Vivienne Craig, Notary Public
personally appeared Debbi Jones-Thames
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person acted, executed the instrument.
WITNESS my hand and official seal.

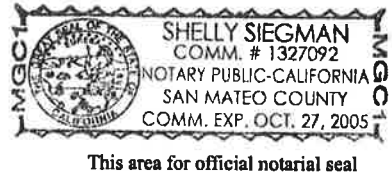
Signature Vivienne Craig



STATE OF CALIFORNIA)SS
COUNTY OF San Mateo)

On 5-12-03 before me, Shelly Siegman
personally appeared pat Kelly
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person acted, executed the instrument.
WITNESS my hand and official seal.

Signature Shelly Siegman



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

(CLTA SUBORDINATION FORM "A")



Exhibit A

The land referred to herein is situated in the State of California, County of San Mateo, City of Redwood City, described as follows:

Parcel One:

Unit 111, as shown on and defined on that certain Map entitled, "Palm Gardens Condominium, being a portion of Lot 4, Block "B" Woodside Acres Map No. 1, 11 Maps 35, San Mateo County Records," filed in the office of the County Recorder of San Mateo County, State of California on June 04, 1975 in Book 87 of Maps at Pages 30 to 33, inclusive, and Certificate of Correction recorded September 16, 1975 in Book 6936 of Official Records at Page 537, Records of San Mateo County, California.

Parcel Two:

The following easements for the benefit of and appurtenant to Parcel One above:

- (a) The exclusive right and easement for the use and possession of those balcony, parking and storage areas designated B-111, P-208 and S-216, respectively, on the Map referred to in Parcel One above Certificate of Correction thereto.
- (b) Non-exclusive easements for ingress and egress, utility services, support, encroachments, maintenance and repaid in, over and upon the common area as defined and set forth in the instrument entitled, "Declaration of Covenants, Conditions and Restrictions of Palm Gardens, a Condominium Project," recorded on June 04, 1975 in Book 6859 of Official Records at Pages 57 to 91, inclusive, records of San Mateo County, California.

Parcel Three:

An undivided 2/109ths interest as tenant in common in and to the common area, as shown and defined upon the Map referred to in Parcel One above.

Commonly Known As: 1458 Hudson Street, # 111
APN: 110-900-110

