

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

528



FROM: Redevelopment Agency

SUBMITTAL DATE:
October 8, 2009

SUBJECT: Subordination Agreement for Francisco Beltran

RECOMMENDED MOTION: That the Board of Directors:

- 1) Approve the attached Subordination Agreement in favor of Sierra Pacific Home Loans, Inc. for Francisco Beltran;
- 2) Authorize the Chairman of the Board to execute the attached Agreement; and
- 3) Authorize the Executive Director or designee to take all necessary steps to implement this Agreement, including but not limited to signing subsequent necessary and relevant documents.

BACKGROUND: (Commences on Page 2)

Dan Martinez for

Dan Martinez

Robert Field
Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ N/A	For Fiscal Year:	2009/2010

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

SOURCE OF FUNDS: Redevelopment Low-and Moderate-Income Housing Set-Aside Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: *Jennifer L. Sargent*

Jennifer L. Sargent

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: MICHELLE CLACK
DATE: 10/5/09
Departmental Concurrence

Policy
 Consent
 Policy
 Consent
 Dept't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: 6/6/2006 4.3

District: 2

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

42
RD 001a-F11.doc
FRM 11 (REV 06/2003)

BACKGROUND: On June 6, 2006, the Board of Directors approved a Disposition and Development Agreement with the Housing Authority of the County of Riverside to build two new affordable single-family homes for low income, first-time home buyers. The houses which are located in the unincorporated community of Home Gardens were sold in August 2008. Each homebuyer signed a note and deed of trust as a pass-through of a portion of the Redevelopment Agency's loan to the Housing Authority, and the loan is subordinate to the first mortgage lender.

Mr. Francisco Beltran, one of the homebuyers who resided on 3745 Neece Street, Corona, executed a Promissory Note with the Agency in the amount of \$85,000. Due to recent drop in interest rate, Mr. Beltran will be refinancing the first loan and is requesting the Agency's approval to subordinate to his new loan. Under the Agency guideline, the new loan must be a fixed interest rate loan for 30 years with no cash out allowed. Mr. Beltran's loan met all of the Agency's subordination requirement.

Staff has determined that Mr. Beltran's new loan met all of the Agency's subordination guidelines and recommends Board approval.

Agency Counsel has reviewed and approved as to form the attached Subordination Agreement.

RF:DM:ER:TF:YC 9621

S:\CDBG\HOME\1STBUYER\REFINANC\Beltran, Francisco - RD206004-2 - Form 11 and Subord Agmt.doc
S:\Shared\CDBG\HOME\1STBUYER\REFINANC\Beltran, Francisco - RD206004-2 - Form 11.doc

1 NO FEE FOR RECORDING PURSUANT
TO GOVERNMENT CODE SECTION 6103

2 Order No.
Escrow No. 9884-TB
3 Loan No.

4 RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

5 Redevelopment Agency for the
6 County of Riverside
1325 Spruce Street, Suite 400
7 Riverside, CA 92507
Attn: Yolanda Carlos, RD2.06.004-2

8 SPACE ABOVE THIS LINE FOR RECORDERS USE

9 APN: 135-021-008-8

10 SUBORDINATION AGREEMENT

11
12 NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY
13 INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND LOWER
14 PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY
INSTRUMENT.

15 THIS AGREEMENT, made this _____ day of _____, 2009, by
16 FRANCISCO BELTRAN, a married man as his sole and separate property, owner of the land
17 hereafter described and hereinafter referred to as "Owner", and Redevelopment Agency for the
18 County of Riverside, a public body, corporate and politic, present owner and holder of the Deed
19 of Trust and Note first hereinafter described and hereinafter referred to as "Beneficiary" or
20 "AGENCY".

21
22 WITNESSETH

23 THAT WHEREAS, Owner did execute a Deed of Trust, dated August 12, 2008, to
24 Redevelopment Agency for the County of Riverside as Trustee, covering the following Real
25 Property located at 3745 S. Neece Street, Corona, California 92879 in the
26 County of Riverside, State of California, which is more particularly described in Exhibit "A",
27 which is attached hereto and incorporated herein by this reference, to secure a Note in the sum of
28 Eighty-five Thousand Dollars (\$85,000.00), dated August 12, 2008 in favor of

1 Redevelopment Agency for the County of Riverside, through its Home Gardens Infill Housing
2 Program, which Deed of Trust was recorded on August 22, 2008 as instrument No.
3 2008-0466457, in the Official Records of said county; and

4 WHEREAS, Owner has executed, or is about to execute, a Deed of Trust and Note in the
5 sum of \$126,119.00 in favor of Sierra Pacific Home Loans, Inc. hereinafter
6 referred to as "Lender," payable with interest and upon the terms and conditions described
7 therein, which Deed of Trust is to be recorded concurrently herewith; and

8 WHEREAS, it is a condition precedent to obtaining said loan that said Deed of Trust last
9 above mentioned shall unconditionally be and remain at all times a lien or charge upon the land
10 hereinbefore described, prior and superior to the lien or charge of the Deed of Trust first above
11 mentioned; and

12 WHEREAS, Lender is willing to make said loan provided the Deed of Trust securing the
13 same is a lien or charge upon the above described property prior and superior to the lien or
14 charge of the Deed of Trust first above mentioned and provided that Beneficiary will specifically
15 and unconditionally subordinate the lien or charge of the Deed of Trust first above mentioned to
16 the lien or charge of the Deed of Trust in favor of Lender; and

17 WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to
18 owner; and Beneficiary is willing that the Deed of Trust securing the same shall, when recorded,
19 constitute a lien or charge upon said land which is unconditionally prior and superior to the lien
20 or charge of the Deed of Trust first above mentioned.

21 NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties
22 hereto and other valuable consideration, the receipt and sufficiency of which consideration is
23 hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is
24 hereby declared, understood and agreed as follows;

- 25 1) That said Deed of Trust securing said Note in favor of Lender, and any renewals
26 or extensions thereof, shall unconditionally be and remain at all times a lien or
27 charge on the property therein described, prior and superior to the lien or charge
28 of the Deed of Trust first above mentioned.

1 2) That Lender would not make its loan above described without this subordination
2 agreement.

3 3) That this agreement shall be the whole and only agreement with regard to the
4 subordination of the lien or charge of the Deed of Trust first above mentioned to
5 the lien or charge of the Deed of Trust in favor of Lender above referred to and
6 shall supersede and cancel, but only insofar as would affect the priority between
7 the deeds of trust hereinbefore specifically described, any prior agreement as to
8 such subordination including, but not limited, those provisions, if any, contained
9 in the Deed of Trust first above mentioned, which provide for the subordination
10 of the lien or charge thereof to another deed or deeds of trust or to another
11 mortgage or mortgages.

12 Beneficiary declares, agrees and acknowledges that:

- 13 a) It consents to and approves
- 14 i. All provisions of the Note and Deed of Trust in favor of Lender above
 - 15 referred to, and
 - 16 ii. All agreements, including but not limited to any loan or escrow
 - 17 agreements, between Owner and Lender for the disbursement of the
 - 18 proceeds of Lender's loan;
- 19 b) Lender in making disbursements pursuant to any such agreement is under no
- 20 obligation or duty to, nor has Lender represented that it will, see to the application
- 21 of such proceeds by the person or persons to whom Lender disburses such
- 22 proceeds and any application or use of such proceeds for purposes other than
- 23 those provided for in such agreement or agreements shall not defeat the
- 24 subordination herein made in whole or in part;
- 25 c) It intentionally and unconditionally waives, relinquishes and subordinates the
- 26 lien or charge of the Deed of Trust first above mentioned in favor of the lien or
- 27 charge upon said land of the Deed of Trust in favor of Lender above referred to
- 28 and understands that in reliance upon, and in consideration of, this waiver,

1 relinquishment and subordination; and

2 d) An endorsement has been placed upon the Note secured by the Deed of Trust
3 first above mentioned that said Deed of Trust has by this instrument been
4 subordinated to the lien or charge of the Deed of Trust in favor of Lender above
5 referred to.

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7 THIS SPACE INTENTIONALLY LEFT BLANK
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1 IN WITNESS WHEREOF, the Beneficiary and the Owner have executed this Agreement as of
2 the date first above written.

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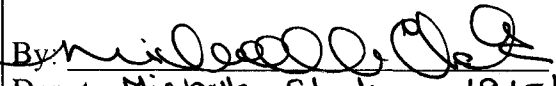
BENEFICIARY
REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE

OWNER(S)

By: _____
Chairman, Board of Directors

By: _____
Francisco Beltran

APPROVED AS TO FORM:
Pamela J. Walls
Agency Counsel

By: 
Deputy Michelle Clark 10/15/09

ATTEST:

By: _____
Clerk of the Board

(All signatures on this page need to be notarized)

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

LOT 8 IN BLOCK Q OF RIVERSIDE VALLEY HOME GARDENS, AS SHOWN BY MAP
ON FILE IN BOOK 11 PAGE 88 OF MAPS, RIVERSIDE COUNTY RECORDS.

APN: 135-021-008-8

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA }

COUNTY OF _____ }

On _____, before me, _____
Date Here Insert Name and Title of the Officer

personally appeared _____
Name(s) of Signer(s)

who 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(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

Place Notary Seal Above