

AFTER RECORDING MAIL TO:  
EQUITY NATIONAL TITLE  
317 IRON HORSE WAY  
ST. LOUIS, RI 02908

Assessor's Parcel Number: 91-650-1510

## **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 Subordination Agreement, made this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ by **CITY OF GRAND RAPIDS** (hereinafter referred to as Beneficiary), present owner and holder of the Mortgage and note first hereafter described, and **EMBRACE HOME LOANS, INC.** (hereinafter referred to as "Lender");

### **WITNESSETH**

THAT WHEREAS, **DANIEL W. THOMPSON AND PEGGY A. THOMPSON, MARRIED TO EACH OTHER** (hereinafter referred to as "Owner") executed a Mortgage to **CITY OF GRAND RAPIDS 00** in favor of **CITY OF GRAND RAPIDS** dated 5/13/2019 and recorded on 8/21/2019 as Document No. A000733569 to secure a note in the sum of \$22,400, encumbering real property described as follows:

**SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF**

Commonly known as: 1430 SOUTHEAST 5TH STREET, GRAND RAPIDS, MN 55744; and

WHEREAS, Owner has executed, or is about to execute, a Mortgage and note up to \$112,000.00 dated , in favor of Lender, payable with interest and upon the terms and conditions described therein, which Mortgage is to be recorded concurrently herewith; and

WHEREAS, It is a condition precedent to obtaining said loan that said Mortgage 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 Mortgage first mentioned, Owner has requested Beneficiary to subordinate Beneficiary's lien to the lien about to be taken by the Lender; and

WHEREAS, Lender is willing to make said loan provided the Mortgage securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the Mortgage first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the Mortgage first above mentioned to the lien or charge of the Mortgage in favor of the 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 Mortgage 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 Mortgage 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 to as follows:

- (1) That said Mortgage 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 Mortgage 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 Mortgage first above mentioned to the lien or charge of the Mortgage in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the mortgages hereinbefore specifically described, any prior agreements as to such subordination including, but not limited to, those provisions, if any contained in the Mortgage first above mentioned, which provide for the subordination of the lien or charge thereof to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that:

- (a) It consents to and approves (i) all provisions of the note and Mortgage 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) It intentionally waives, relinquishes and subordinates the lien or charge of the Mortgage first above mentioned in favor of the lien or charge upon said land of the Mortgage 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 unto but for said reliance upon this waiver, relinquishment and subordination; and
- (d) An endorsement has been placed upon the note secured by the Mortgage first above-mentioned that said Mortgage has by this instrument been subordinated to the lien or charge of the Mortgage 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 LAND.

IN WITNESS whereof, THE PARTY (IES) hereunto sets his hand this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

**CITY OF GRAND RAPIDS**

BY: \_\_\_\_\_

Printed Name & Title: \_\_\_\_\_

Witness Signature: \_\_\_\_\_

Witness Name (Print): \_\_\_\_\_

Witness Signature: \_\_\_\_\_

Witness Name (Print): \_\_\_\_\_

STATE OF

SS.

COUNTY OF

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by  
(name of officer or agent) as \_\_\_\_\_, (title of officer or agent) of **CITY OF GRAND  
RAPIDS.**

NOTARYSTAMP/SEAL

Notary public

My Commission Expires:

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

**EXHIBIT A**

Attachment to Real Estate Mortgage Dated the 13rd day of May, 2019

Mortgagor(s): Daniel W. and Peggy A. Thompson

Legal Description:

Lots 1-2 BLK 15  
Oakland Add to Grand Rapids  
Sec 22, Twn 55, Rng 25

1430 SE 5<sup>th</sup> Street  
Grand Rapids, MN 55744

**Parcel Number: 91-650-1510**