

RESOLUTION NO. 2591

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE A SUBORDINATION AGREEMENT WITH TRENT W. MOORES (COMMUNITY DEVELOPMENT BLOCK GRANT LIEN).

WHEREAS, in November 2007, Trent W. Moores (“Moores”) entered into an agreement with the Town of Payson (“Town”) whereby the Town awarded Moores a Community Development Block Grant (“CDBG”) in the form of a forgivable loan to make improvements to his home; and

WHEREAS, said loan is secured by a deed of trust and promissory note; and

WHEREAS, the Town has adopted Housing Rehab Guidelines that govern applicants and persons receiving CDBG funds; and

WHEREAS, such Housing Rehab Guidelines make provision for the Town to subordinate its lien in certain refinancing situations; and

WHEREAS, Moores desires to refinance his home to lower his monthly mortgage payment and has requested that the Town subordinate its lien to the proposed new lender, Wells Fargo Home Mortgage; and

WHEREAS, for such purpose, a Subordination Agreement has been prepared,

NOW, THEREFORE, THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DO HEREBY RESOLVE AS FOLLOWS:

Section 1. That the Subordination Agreement between the Town of Payson and Trent W. Moores, attached hereto marked Exhibit “A”, be and is hereby approved in substantially the form attached.

Section 2. That Kenny J. Evans, Mayor of the Town of Payson, be and is hereby authorized to execute said Subordination Agreement in substantially the form attached.

Section 3. That the Town of Payson be and is hereby authorized to take such other and further actions as may be necessary or appropriate to fulfilling the intent of this Resolution.

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, this _____ day of _____, 2011, by the following vote:

AYES _____ NOES _____ ABSTENTIONS _____ ABSENT _____

MAR 03 2011 G.2

Kenny J. Evans, Mayor

ATTEST:

APPROVED AS TO FORM:

Silvia Smith, Town Clerk



Timothy M. Wright, Town Attorney

EXHIBIT "A"

to Resolution No. 2591

at the request of Pioneer Title Agency, Inc.

when recorded mail to:

Pioneer Title Agency, Inc.
421 S. Beeline Hwy
Payson, AZ 85547

00132226-RD

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 February 09, 2011 by:

TRENT MOORES, AND UNMARRIED MAN,

owner of the land hereinafter described and hereinafter referred to as "Owner", and

TOWN OF PAYSON, AN ARIZONA MUNICIPAL CORPORATION,

present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary.";

WITNESSETH:

THAT WHEREAS, TRENT MOORES

did execute a deed of trust, dated 26th day of November, 2007, to: TOWN OF PAYSON, an Arizona Municipal Corporation,
as Trustee covering:

Lot 12, Block 3, PINE RIDGE ADDITION REPLATTED, according to Map No. 80, records of Gila County, Arizona.

to secure a note in the sum of \$70,469.00, dated November 26, 2007, in favor of The Town of Payson, an Arizona municipal Corporation, which deed of trust was recorded December 05, 2007 in document # 2007-019832, Official Records of said county; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$ _____, dated _____, in favor of Wells Fargo Home Mortgage, hereafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which deed of trust is also to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said 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 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.

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:

SUBORDINATION, RECORDED DEED OF TRUST TO DEED OF TRUST OF RECORD

Initials: _____ (Page 1 of 3)

(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 agreements 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 (1) all provisions of the note and deed of trust in favor of Lender above referred to, and (2) 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 Town of Payson

BY: _____

TRENT W. MOORES

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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

State of Arizona }
 } ss.
County of Gila }

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by _____.

NOTARY PUBLIC

My commission expires:

State of Arizona }
 } ss.
County of Gila }

The foregoing instrument was acknowledged before me this _____ day of _____, 2011, by **TRENT W. MOORES**.

NOTARY PUBLIC

My commission expires: