

WHEN RECORDED PLEASE RETURN TO:

Malouf Bros. Construction

4841 N. Scottsdale Road

Scottsdale, Arizona 85251

BRIARWOOD III - SITE LOAN

641 1200.86

723490

SUBORDINATION AGREEMENT

THIS AGREEMENT, made and executed this 23rd day
of December, 1976, by and between:

THE BRIARWOOD CORPORATION, an Arizona corporation,
hereinafter called "Briarwood";

W. J. SMALL and HAZEL M. SMALL, his wife, hereinafter
called "Small"; and

SOUTHWEST SAVINGS AND LOAN ASSOCIATION, an
Arizona corporation, hereinafter called
"Southwest Savings",

W I T N E S S E T H:

WHEREAS, Briarwood and Small executed and are bound
by a certain LEASE AGREEMENT dated December 11, 1976, and
covering the real property described therein, recorded
December 22, 1976 in Docket 11998 pages 293-341
records of Maricopa County, Arizona, the term thereof being
ninety-nine (99) years, commencing on the 1st day of October, 1976; and

WHEREAS, Briarwood, as lessee, wishes to construct
certain improvements on said real property particularly described
in Exhibit A attached hereto and by this reference incorporated
herein, and has requested Southwest Savings to make a loan to it
in the amount of Three Hundred Thirty-five Thousand and 00/100----
Dollars, which is to be secured by a mortgage on the real
property particularly described in Exhibit A, and Southwest Savings
has agreed to make said loan provided Briarwood and Small sub-
ordinate their interests in said LEASE AGREEMENT to the mortgage
loan of Southwest Savings as herein provided.

NOW, THEREFORE, in consideration of Southwest Savings making said loan to Briarwood and in further consideration of the covenants hereinafter set forth, it is agreed by and between the parties hereto as follows:

I

Briarwood does hereby subordinate its interest in said LEASE AGREEMENT dated December 13, 1976, as to the leasehold land particularly described in Exhibit A, and agrees that its interest in said LEASE AGREEMENT shall be subordinate and inferior to the lien of a mortgage executed by Briarwood to Southwest Savings on the real property described in Exhibit A.

II

Small do hereby subordinate their interest in said LEASE AGREEMENT dated December 13, 1976, as to the leasehold land particularly described in Exhibit A and agree that their interest in said LEASE AGREEMENT shall be subordinate and inferior to the lien of a mortgage executed by Briarwood to Southwest Savings on the real property described in Exhibit A. PROVIDED:

- (1) That the total amount of any such mortgage or mortgages shall not exceed 80% of the total estimated cost of all such improvements; and
- (2) That in the case of the sale of one (1) or more apartment or dwelling units, the total amount of any such mortgage or mortgages shall not exceed 80% of the full sales price of such apartment or dwelling unit or units.

BRIARWOOD III

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III

Southwest Savings agrees that its mortgage lien shall extend to the leasehold lands particularly described in Exhibit A hereof.

IV

Southwest Savings shall give Small written notice sixty (60) days prior to the commencement of any foreclosure proceedings or acceleration of the loan against Briarwood, which notice shall specify the default or failure of Briarwood to comply with the terms thereof, and that in the event Briarwood fails to remedy any default in payment or any obligation properly due from Briarwood to Southwest Savings or to cure any breach of the terms of the mortgage or subordination agreement, Small shall have thirty (30) days after written notice from Southwest Savings, if they so elect, to make any such default payment or cure any such breach.

IN WITNESS WHEREOF, the parties hereto have executed this Subordination Agreement as of the day and year first above written.

THE BRIARWOOD CORPORATION

By: Robert Malouf
Robert Malouf, President

W. J. Small

W. J. Small
W. J. Small

SOUTHWEST SAVINGS AND LOAN
ASSOCIATION

By: Paul E. Anderson
Paul E. Anderson, President

BRIARWOOD 111

55 120038 17

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

ON THIS, the 23rd day of December, 1976,
before me, the undersigned Notary Public, personally appeared
ROBERT MALOUF, known to me to be the person whose name is subscribed
to the foregoing instrument as President, of THE BRIARWOOD CORPORATION,
an Arizona corporation, and as such officer acknowledged to me that he
executed the same for the purposes and consideration therein expressed
for said corporation as its free act and deed by him voluntarily
executed.

IN WITNESS WHEREOF, I hereto set my hand and official
seal.

My commission expires: Oct 2 1977

L. L. Smith, Jr.
Notary Public

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

ON THIS, the 23rd day of December, 1976,
before me, the undersigned Notary Public, personally appeared
W. J. SMALL and HAZEL M. SMALL, his wife, known to me to be the
persons whose names are subscribed to the foregoing instrument and
acknowledged that they executed the same for the purposes therein
contained.

IN WITNESS WHEREOF, I hereto set my hand and official
seal.

My commission expires: Oct 2 1977

L. L. Smith, Jr.
Notary Public

STATE OF ARIZONA)
) ss
COUNTY OF MARICOPA)

ON THIS, the 23rd day of December, 1976,
before me, the undersigned Notary Public, personally appeared
Ray L. Beckwith, known to me to be the person whose
name is subscribed to the foregoing instrument as President,
Ray L. Beckwith of SOUTHWEST SAVINGS AND LOAN ASSOCIATION, an
Arizona corporation, and as such officer acknowledged to me that he
executed the same for the purposes and consideration therein expressed
for said corporation as its free act and deed and by him voluntarily
executed.

IN WITNESS WHEREOF, I hereto set my hand and official
seal.

My commission expires: June 1 1977

L. L. Smith, Jr.
Notary Public

BRIARWOOD III

EXHIBIT A

WAT 1200376 78

Lots 106 through 152 of Briarwood III, a subdivision, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona in Book 147 of Maps, page 20.

DEC 24 1976 -8 00

Minnesota Title Company

DEC 24 1976 -8 00

12003

74-78

W. Ross M. County Recorder
Maricopa County, Arizona

County Recorder
W. Ross M.
Deputy Recorder