



The California
State Coastal
CONSERVANCY

January 14, 1985.

Kenneth R. Chiate
Lilick, McHose & Charles
707 Wilshire Blvd.
Los Angeles, CA. 90017

Dear Mr. Chiate:

I am writing regarding the irrevocable offer to dedicate to the People of California an easement for the purposes of public parking, which you, Mrs. Chiate, Roger S. Wolk and Marilyn S. Wolk recorded on January 6, 1982 in accordance with requirements of your coastal development permit. On June 11, 1982, the State Coastal Conservancy voted to accept this offer.

In reviewing title reports for your property, we noted that it is subject to a deed of trust to secure an indebtedness of \$650,000.00 to Burt Sunkin and Gene Ewing Sunkin, recorded on May 19, 1981 as Instrument No. 81-500320, Official Records. If this deed of trust is still outstanding, it is a matter of concern to us, since the foreclosure of this lien could be detrimental to the easement interest. Your original permit condition expressly required that the offer to dedicate be free of prior liens and encumbrances, except for tax liens. Failure to subordinate this deed of trust could technically be a violation of your coastal permit. (A copy of the Coastal Commission's instructions to permit applicants regarding subordination agreements is enclosed for your information.)

The purpose of this letter, therefore, is to request that you, Mrs. Chiate, and Mr. and Mrs. Wolk, as grantors of the easement, obtain a subordination agreement from Mr. and Mrs. Sunkin which would give the public parking easement priority over any foreclosure resulting from the deed of trust. Mr. and Mrs. Sunkin would not be subordinating to any monetary interest but would merely agree that the easement will survive any foreclosure action by Mr. and Mrs. Sunkin. The subordination of the deed of trust to the easement should not constitute a substantial impairment of the Sunkins' security.

I have enclosed a Subordination Agreement to be signed and recorded by the above parties. Your assistance in obtaining the necessary signatures would be most appreciated. All signatures should be properly notarized and the agreement returned to me for recording. If you would prefer to substitute another document preferable to Mr. and Mrs. Sunkin and having the same effect, this would be acceptable as long as we have the opportunity

State of California—
The Resources Agency
George Deukmejian
Governor
1330 Broadway, Suite 1100
Oakland, CA 94612
ATSS 561-1070
Telephone 415/464-1015

Kenneth R. Chiate
January 14, 1985
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to review the document and find that all legal requirements for subordination and recording are met.

Thank you for your attention.

Yours truly,

Donna Yee

Donna Yee
Law Clerk

Enclosures

RECORDING REQUESTED 1 :

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 INSTRUMENT.

This Subordination Agreement is made between Burt Sunkin and Gene Ewing Sunkin, and Roger S. Wolk, Marilyn S. Wolk, Kenneth R. Chiate and Jeannette Chiate.

WHEREAS Roger S. Wolk, Marilyn S. Wolk, Kenneth R. Chiate and Jeannette Chiate are owners of that certain property located in the County of Monterey, State of California, described in Exhibit A of this document (the "Property"); and

WHEREAS a deed of trust to secure indebtedness to Burt Sunkin and Gene Ewing Sunkin, recorded May 19, 1981 as Instrument No. 81-500320, Official Records, is binding upon and encumbers the Property;

NOW, THEREFORE, Burt Sunkin and Gene Ewing Sunkin hereby acknowledge the "Irrevocable Offer to Dedicate" to the People of California an easement for the purposes of public parking located on the subject property, recorded January 6, 1982 as Instrument No. 82-11159, Official Records, and do hereby subordinate the aforementioned deed of trust thereto, for the benefit of the People of the State of California.

DATED: _____

BY: _____
BURT SUNKIN

ROGER S. WOLK

GENE EWING SUNKIN

MARILYN S. WOLK

KENNETH R. CHIATE

JEANNETTE CHIATE

EXHIBIT A

County of Los Angeles, State of California,

Parcel 2 of Parcel Map No. 7543 as per map thereof filed
in Book 135 Pages 58 and 59 of Parcel Maps, in the Office
of the County Recorder of Said County.

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NOTE TO NOTARY PUBLIC:

If any party signing the attached subordination agreement is signing on behalf of a corporation, public agency, trust, partnership, etc., please use the proper notary acknowledgment (jurat).

STATE OF CALIFORNIA

COUNTY OF _____

On this _____ day of _____, in the year _____,

before me _____, a Notary Public, personally

appeared _____,

/ / personally known to me

/ / proved to me on the basis of satisfactory evidence

to be the person(s) whose name is subscribed to this instrument, and acknowledged that he/she executed it.

NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE

On this _____ day of _____, in the year _____,

before me _____, a Notary Public, personally

appeared _____,

/ / personally known to me

/ / proved to me on the basis of satisfactory evidence

to be the person(s) whose name is subscribed to this instrument, and acknowledged that he/she executed it.

NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE

RECEIVED

JAN 07 1985

CALIFORNIA COASTAL COMMISSION
631 Howard Street, San Francisco 94105 — (415) 543-8555

TO: PERMIT APPLICANTS
FROM: CALIFORNIA COASTAL COMMISSION, LEGAL STAFF
SUBJECT: INSTRUCTIONS AND EXPLANATION OF SUBORDINATION AGREEMENT

STATE COASTAL CONSERVANC
OAKLAND, CALIF.

In carrying out the policies of the Coastal Act, the Commission recently approved a project subject to a permit condition requiring the recordation of an instrument (i.e., offer to dedicate or deed restriction, etc.). The permit condition requires such instrument to be recorded free of all liens and encumbrances except tax liens. If the Title Report shows that the property is subject to a deed of trust or mortgage, for example, the banks or individuals holding the encumbrances (e.g., the beneficiaries) must execute an agreement subordinating their claim to the recorded instrument.

The purpose of the SUBORDINATION AGREEMENT is to ensure that the Commission will not issue a permit subject to conditions requiring the recordation of an instrument, and then lose the power to enforce such recorded instrument if there is a foreclosure following construction.

NOTICE: THE BENEFICIARY WILL NOT BE SUBORDINATING TO ANY MONETARY INTEREST NOR WILL HE/SHE RISK HIS/HER MONETARY INTEREST BY SUBORDINATING. In fact, in many cases the beneficiary's interest will be enhanced because the development of the project with the permit will increase the value of the property.

STEPS:

1. Beneficiary. Type the name of the beneficiary under the deed of trust appearing on the Title Report. Usually, but not always, the beneficiary is a bank or an individual holding a deed of trust or mortgage on the subject property. Use a separate SUBORDINATION AGREEMENT for each separate party appearing in the Title Report. (Note that a husband and wife do not need to fill out separate forms.)
2. Trustor. Type the name of the trustor(s) under the deed of trust and appearing on the Title Report. Usually, this is the applicant(s) for the coastal permit.
3. Deed of Trust Date, Book Number and Page Number (or Instrument Number)
4. County. County in which Deed of Trust was recorded.
5. Legal Description. Attach a legal description of the subject property. Legal descriptions are included in the Title Report or Grant Deed. Note that an Assessor's Parcel Map or Number is not a legal description. Mark as Exhibit A and attach to the SUBORDINATION AGREEMENT.
6. Trustee. Type the name of the trustee under the deed of trust and appearing on the Title Report.
7. Instrument to be Recorded. Type in the type of instrument that was required by the Commission to be recorded (i.e., offer to dedicate or deed restriction--sometimes both), the date the instrument was signed, and the names of the parties (owners) who signed the instrument.

Revised 8/82

8. Date of Execution of Instrument to be Recorded.

The SUBORDINATION AGREEMENT must be submitted to the California Coastal Commission Legal Staff, along with the other pertinent documents, such as instruments to be recorded.