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AFTER RECORDING, RETURN TO:

Amerquest Mortgage Company  
700 NE Multnomah Blvd., #350  
Portland, Oregon 97232

State of Oregon, County of Klamath  
Recorded 06/22/2004 10:53 A m  
Vol M04 Pg 40063-40064  
Linda Smith, County Clerk  
Fee \$ 36.00 # of Pgs 4

Aspen 58690  
**SUBORDINATION AGREEMENT**

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN THE SIGNER'S 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 is executed this 15 day of May, 2004, by Cheryl Gregory, herein "Subordinator."

**RECITALS**

1. Frank Gregory, herein "Owner," is the owner of the following described real property situated in the County of Klamath, State of Oregon, herein "the Real Property":

See attached exhibit "A"

2. Owner has obtained a loan in the amount of \$95,000.00 from Amerquest Mortgage Company, herein Lender, secured by a trust deed or mortgage against the Real Property, herein "Lender's Encumbrance," dated 6-2, 2004, recorded on 6-22 2004, as recording reference M04-40064, records of above referenced county.

3. Subordinator has an interest in or lien upon the Real Property described below, as follows:

☐ (Trust Deed): As beneficiary under a trust deed dated \_\_\_\_\_, and recorded \_\_\_\_\_ as recording reference \_\_\_\_\_, records of above referenced county.

☐ (Mortgage): As mortgagee under a mortgage dated ----, and recorded ---- as recording reference \_\_\_\_\_, records of above referenced county.

☐ (Contract) As land sale contract seller or purchaser (indicate which) under a contract dated \_\_\_\_\_, which, or a memorandum of which, was recorded ---- as recording reference ----, records of above referenced county.

☒ (Other -- Specify): Judgement for Childsupport in favor of subordinator in the amount of \$42,860.40 as stated for case #98-2222CV in Circuit for Klamath County dated entered June 1, 1998 and September 18, 2001.

The above interest is herein referred to as "Subordinator's Lien."

4. Subordinator has never sold or assigned Subordinator's Lien and is the present owner and holder thereof and all obligations thereby secured.

5. Subordinator has agreed and consented to subordinate Subordinator's Lien to Lender's Encumbrance.

**AGREEMENT**

NOW, THEREFORE, in consideration of benefits to Subordinator from Owner, receipt and sufficiency of which are

36-A

hereby acknowledged, Subordinator hereby consents, covenants and agrees that all of Subordinator's right, title, lien and interest in, to, and upon the Real Property, shall be subject to and subordinate to Lender's Encumbrance and that Lender's Encumbrance, including any and all advances, extensions or renewals thereof, shall be first, prior, and superior to any right, title, lien or interest of the Subordinator.

Subordinator acknowledges that, prior to the execution hereof, Subordinator has had the opportunity to examine the terms of Lender's Encumbrance, note, and agreements relating thereto; that Subordinator consents to and approves same, and recognizes that Lender has no obligation to Subordinator to advance any funds under Lender's Encumbrance or to see to the application of Lender's funds; and that any application or use of such funds for purposes other than those provided for in Lender's Encumbrance, note or agreements shall not defeat this Subordination Agreement, in whole or in part.

It is expressly understood and agreed that nothing herein contained shall be construed to change, alter or impair the Subordinator's Lien, except as herein expressly set forth.

In the event that the loan above mentioned is an additional advance to be made under the open-end provisions of an existing trust deed or mortgage held by the Lender as a first lien upon the Real Property, Subordinator agrees that all of Subordinator's right, title, lien or interest in, to and upon the Real Property shall be subject to and subordinate to the Lender's existing trust deed or mortgage not only for the unpaid balance of the original loan and any further advances heretofore made and secured by Lender's Encumbrance, but also for the additional advances now and hereafter to be made by Lender to Owner.

Subordinator agrees to pay Lender's attorney fees and costs in any action to enforce this Agreement, whether through arbitration, bankruptcy or insolvency proceedings, civil action, appeals, or otherwise.

This Agreement binds Subordinator's heirs, representatives, successors and assigns, and it shall inure to the benefit of the assignees or transferees of Lender's Encumbrance and the obligations secured thereby.

*(Continued on Next Page)*

**NOTICE: UNDER THE TERMS OF THIS SUBORDINATION AGREEMENT, THE NEW LOAN PROCEEDS MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND. IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS ABOUT THIS AGREEMENT. READ THIS AGREEMENT CAREFULLY, AND DO NOT SIGN IT UNLESS ALL OF ITS PROVISIONS ARE ACCEPTABLE TO YOU.**

IN WITNESS WHEREOF, Subordinator has executed this Subordination Agreement on the date first above written.

*Cheryl Gregory*  
Cheryl Gregory

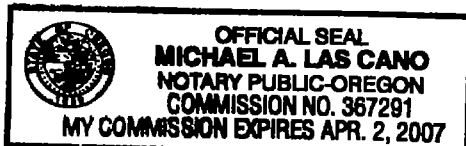
STATE OF OREGON, County of MULTNOMAH

Personally appeared the above named

CHERYL GREGORY

and acknowledged the foregoing instrument before me this 21 day of MAY, 2004.

Notary Public of OREGON  
My commission expires: 4/2/07



STATE OF OREGON, County of \_\_\_\_\_:

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by (name:) \_\_\_\_\_ as the (title:) \_\_\_\_\_ of \_\_\_\_\_, on its behalf.

STATE OF OREGON, County of \_\_\_\_\_:

Personally appeared the above named

and acknowledged the foregoing instrument before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Notary Public of \_\_\_\_\_  
My commission expires:

Notary Public for \_\_\_\_\_  
My commission expires:

**Exhibit "A"**

**Lot 37, ELMWOOD PARK, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.**

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