

SUBORDINATION AGREEMENT

RECORDING REQUESTED BY:
WHEN RECORDED MAIL TO:

LandAmerica OneStop

Address: 600 Clubhouse Drive

City: Moon Township

State: PA 15108

Escrow: 1694666

Title:

APN: 3909-005BC TL 03200

M06-00586

Klamath County, Oregon

01/11/2006 10:57:52 AM

Pages 4 Fee: \$36.00

SPACE ABOVE THIS LINE FOR RECORDERS USE ONLY

ATE: 62475

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 21st day of December 2005 by **Jess and Amy Stennett** owner of the land hereinafter described and hereinafter referred to as "Owner", and **Comerica Bank** present owner and holder of Deed of Trust and Note first hereinafter described and referred to as "Beneficiary."

WITNESSETH

THAT WHEREAS, **Jess and Amy Stennett** did execute a Deed of Trust, dated **6/8/2004** To **Comerica Bank** as Mortgagee covering.

SEE EXHIBIT "A" ATTACHED HERETO AND BY REFERENCE MADE
A PART HEREOF FOR COMPLETE LEGAL DESCRIPTION

To secure a Note in the sum of **\$271,000.00** dated **6/8/2004** in favor of **Comerica Bank** which Deed of Trust was recorded on **6/10/2004** as **Book/Page M-04/37335** of 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 **\$110,398.00** in favor of **Washington Mutual Bank, FA**. Herein after referred to as "Lender", payable with interest and upon the terms and conditions described therein, which Deed of Trust is to be recorded concurrently herewith; and,

WHEREAS, It is a condition precedent to obtaining said loan 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 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 charge of the deed of Trust first above mentioned.

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

EXHIBIT A: LEGAL DESCRIPTION OF PROPERTY

The following real, property situate in the city of Klamath Falls, county of Klamath, State of Oregon, to-wit

Lot 6 and the Westerly 10 feet of Lot 5, Block 2, WEST HILLS HOMES, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

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 referenced to, it is hereby declared, understood and agreed as follows:

- (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 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 hereinafter specifically described, and 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 Deed of Trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that:

- (a) He/she consents to and approves (I) all provisions of the Note and Deed of Trust 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) He/she intentionally and unconditionally waives, relinquishes and subordinates the lien or charge or 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, 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 charge of the Deed of Trust in favor of lender above referred to.

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

SIGNATURE OF BENEFICIARY (IES)

Reba Mounzer, CORPORATE BANKING OFFICER
REBA MOUNZER

STATE OF TEXAS

County of HARRIS }

On Dec 21, 2005 before me, Jennifer M. Hernandez the undersigned, a
Notary Public in and for said State, Reba Mounzer personally known to
me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed
to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Jennifer M. Hernandez
Notary Public in and for said County and State



Legal Addendum

Lot 6 and the Westerly 10 feet of Lot 5, Block 2, WEST HILLS HOMES, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.