

2008-002342

Klamath County, Oregon



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02/25/2008 03:15:17 PM

Fee: \$41.00

Recording requested by and
when recorded return to:

FSC0440
2210 ENTERPRISE DRIVE
FLORENCE, SC 29501

ATE: 65510 PS



Washington Mutual

SUBORDINATION AGREEMENT

Loan Number: 656557097

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 13 day of February, 2008, by Michael G. Hodges Sr and Anna Marie Hodges, owner of the land hereinafter described and hereinafter referred to as "Owner", and Washington Mutual Bank, present owner and holder of the Security Instrument and Note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, Michael G. Hodges Sr and Anna Marie Hodges, as Grantor, did execute a Security Instrument, dated June 20, 2007 to Group 9, Inc., a Pennsylvania Corporation, as Trustee, covering:

See Exhibit "A" attached hereto and made a part hereof by this reference.

to secure a Note in the sum of \$30,000.00, dated June 20, 2007, in favor of Washington Mutual Bank which Security Instrument was recorded on July 3, 2007, in Book 2007, Page 11975, Instrument No. _____, of Official Records, in the Office of the County Recorder of Klamath County, State of Oregon, and

WHEREAS, Owner has executed, or is about to execute, a Security Instrument and Note in the sum of \$224,000.00, dated February 14, 2008, in favor of Washington Mutual Bank, hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which Security Instrument is to be recorded concurrently herewith; and * **Book 2008 Page 2341**

WHEREAS, it is a condition precedent to obtaining said loan that said Security Instrument 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 Security Instrument first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the Security Instrument securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the

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Security Instrument first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the Security Instrument first above mentioned to the lien or charge of the Security Instrument 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 Security Instrument 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 Security Instrument 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:

- (1) That said Security Instrument 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 Security Instrument 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 Security Instrument first above mentioned to the lien or charge of the Security Instrument 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 agreement as to such subordination including, but not limited to, those provisions, if any, contained in the Security Instrument 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 (i) all provisions of the Note and Security Instrument 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 intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Security Instrument first above mentioned in favor of the lien or charge upon said land of the Security Instrument 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 Security Instrument first above mentioned that said Security Instrument has by this instrument been subordinated to the lien or charge of the Security Instrument 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.

BENEFICIARY

Washington Mutual Bank

By: [Signature]

Name: Susan Warren

Title: Corporate Officer

OWNER

By: [Signature]

Michael G. Hodges Sr

By: [Signature]

Anna Marie Hodges

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

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

(SUBORDINATION FORM "A")

Illinois
STATE OF OREGON

COUNTY OF Cook

) ss.

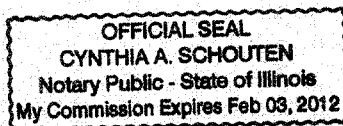
On this day personally appeared Susan Warren before me and, [Signature] to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal this 13 day of Feb, 2008.

[Signature]
Notary Public for State of Illinois

residing at na

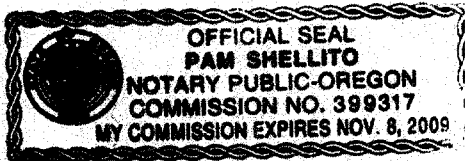
My appointment expires 2/3/12



STATE OF OREGON)
COUNTY OF Klamath) ss.

On this day personally appeared before me
Michael G. Hodges SR and Anna Marie Hodges and,
to me known to be the individuals
described in and who executed the within and foregoing instrument, and acknowledged that they signed
the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal this 20 day of February.



Pam Shellito
Notary Public for Oregon
residing at OR 97603
My appointment expires Nov 8, 2009

STATE OF OREGON)
COUNTY OF _____) ss.

On this day personally appeared before me
_____ and,
_____ to me known to be the individuals
described in and who executed the within and foregoing instrument, and acknowledged that they signed
the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal this _____ day of _____.

Notary Public for _____
residing at _____
My appointment expires _____

Exhibit A

That portion of the E 1/2 NE 1/4 lying South of the Sprague River Highway in Section 26, Township 36 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

CODE 008 MAP 3611-02600 TL 00300 KEY# 336871

MSR H
NWA