

NTC 88169

2010-009519

Klamath County, Oregon



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08/11/2010 03:07:15 PM

Fee: \$47.00

Return to:
Gerald R. & Rebecca L. Cannon

SUBORDINATION of TRUST DEED

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 9th day August, 2010 by Gerald R. Cannon and Gloria A. Cannon, Trustees of the Cannon Loving Trust dated May 30, 1991 herein "Subordinator."

RECITALS

1. The owner of the subject property of this Subordination Agreement is:
said property is situated in the County of ^{Klamath} / State of Oregon, herein "the Real Property", and described as follows:

Lot 5, Block 6 RIVERVIEW, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon
2. Owner has obtained a loan in the amount of \$152,000.00 from John T. Johnson and Gwen A. Johnson, herein Lender, secured by a trust deed or mortgage against the Real Property, herein "Lender's Encumbrance," dated August 9, 2010, recorded concurrently herewith, as recording reference 2010-009519, 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 January 26, 2010, and recorded February 1, 2010 as recording reference 2010-001715, 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 _____ under a contract dated _____, which, or a memorandum of which, was recorded _____ as recording reference _____, records of above referenced county.
 - ☐ (Other - Specify): _____

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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 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.

**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.

Gerald R. Cannon Trustee
Gerald R. Cannon, Trustee of the Cannon Loving
Trust dated May 30, 1991

Gloria A. Cannon Trustee
Gloria A. Cannon, Trustee of the Cannon Loving
Trust dated May 30, 1991

STATE OF OREGON
County of Klamath

This Instrument was acknowledged before me this 9th day of August, 2010 by Gerald R. Cannon and
Gloria A. Cannon, Trustees of the Cannon Loving Trust dated May 30, 1991.

M. Stuart
Notary Public for the State of Oregon
My commission expires: 12/20/10

