

MT 87876-MS

Order No. 0087876

Escrow No. MT87876-MS

Loan No. 502966009

WHEN RECORDED MAIL TO:

Shield Crest HOA

514 Walnut Av

Klamath Falls, OR 97601

2010-011425

Klamath County, Oregon



00090822201000114250020028

09/27/2010 03:32:59 PM

Fee: \$42.00

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 SECURITY INSTRUMENT.

THIS AGREEMENT, made this 14th day of September, 2010 by James C Miller and Terri L Miller owners of the property located at 9576 Arant RD, Klamath Falls, OR 97603 and hereafter referred to as "Owner," and Shield Crest Homeowners Association present owner and holder of the Covenants, Conditions and Restrictions of the Shield Crest PUD and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, the subject property located at 9576 Arant RD, Klamath Falls, OR 97603 is governed and subject to the Covenants, Conditions and Restrictions that contain among other things provisions for levies and assessments of the Shield Crest Homeowners association recorded December 11, 1980 in Volume M80, page 24027, recorded March 16, 1984 in Volume M84, page 4256, recorded April 19, 1984 in Volume M84, page 6541, recorded November 8, 1985 in Volume M85, page 18238, and recorded July 17, 1989 in Volume M89, page 13036 all Microfilm Records of Klamath County, Oregon. Amended by instrument dated March 30, 1999 and recorded March 30, 1999 in Volume M99, page 11258, Amended by instrument dated January 26, 2001 in Volume M01, page 3239, Microfilm Records of Klamath County, Oregon

WHEREAS, Owner is about to execute, a deed of trust and note in the sum of \$394,931.00 dated on or after 14th day of September, 2010, in favor of Flagstar Bank, FSB, hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein the Lenders deed of trust and note, which deed of trust will 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 Covenants, Conditions and Restrictions 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 Covenants, Conditions and Restrictions first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate 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; 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 or charge of the trust first above mentioned.

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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 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 Covenants, Conditions and Restrictions 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 Covenants, Conditions and Restrictions 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 liens and/or charges hereinbefore specifically described, any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in the Covenants, Conditions and Restrictions 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

He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Covenants, Conditions and Restrictions 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 subordination.



Melvin D Ferguson, President Shield Crest Homeowners Association

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on _____

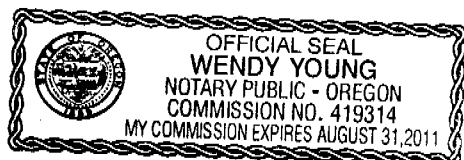
by _____

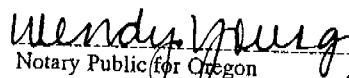
This instrument was acknowledged before me on September 16, 2010

by Melvin D. Ferguson

as President

of Shield Crest Homeowners Association




Notary Public for Oregon
My commission expires 8.31.2011