

2011-000998

Klamath County, Oregon



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01/26/2011 03:15:25 PM

Fee: \$62.00

RECORDING REQUESTED BY

First American Title Insurance Company of
Oregon

**AND WHEN RECORDED MAIL DOCUMENT
AND TAX STATEMENT TO:**

Jo's Motel
PO Box 428
Fort Klamath, OR 97626

1st 1667682

Space Above This Line for Recorder's Use Only

A.P.N.: R75554 and P872069 and
M894347

File No.: 7021-1667682 (TM)

Consideration \$100,000
MO3/ 28993

SUBORDINATION AGREEMENT

(EXISTING TO NEW)

**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 Fourth day of January, 2011, by

James VanGrinsven and Robin Hurt, husband and wife

Owner of the land hereinafter described and hereinafter referred to as "Owner", and

Dorothy S. Williams

present Owner and Holder of the Deed of Trust and Note first hereinafter described and hereinafter referred to as
"Beneficiary";

WITNESSETH

THAT WHEREAS, Owner has executed a Deed of Trust dated March 9, 2003 to First American Title, as Trustee,
covering:

LOTS 1, 2, 3, 4, 5, 6, 7, 8, 9 AND 10 IN BLOCK 2, AND LOT 1, BLOCK 4 OF BUTLER'S ADDITION TO FORT
KLAMATH, OREGON. TOGETHER WITH THE SOUTH ONE-HALF OF VACATED "A" STREET ADJOINING BLOCK 2
ON THE NORTH, AND WEST ONE-HALF OF VACATED WOOD RIVER BOULEVARD LYING NORTH OF THE NORTH
LINE OF 1ST STREET AND THAT PORTION OF THE EAST ONE-HALF OF VACATED WOOD RIVER BOULEVARD
LYING NORTH OF THE SOUTH LINE OF LOT 1, BLOCK 4, BUTLER'S ADDITION TO FORT KLAMATH, EXTENDED
WESTERLY AND THE VACATED ALLEY IN BLOCK 2, BUTLER'S ADDITION TO FORT KLAMATH, ACCORDING TO
THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY,
OREGON.

to secure a Note in the sum of \$100,000.00, dated March 9, 2003, in favor of Dorothy S. Williams, which Deed of Trust was recorded May 1, 2003 in Volume M03, Page 28993, or Instrument No. n/a, of said County; and

WHEREAS, Owner has executed, or is about to execute, a Deed of Trust and Note in the sum of \$36,935.00, dated January 25, 2011, in favor of South Central Oregon Economic Development District-IRP, hereinafter 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 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 Deed of Trust 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 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 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 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 hereinbefore specifically described, any prior agreement 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 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 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;

Date: January 04, 2011

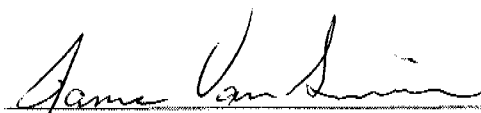
- (b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes 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 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 subordination; and
- (d) An endorsement has been placed upon the Note secured by Deed of Trust first above mentioned that said Deed of Trust has by this instrument been subordinated to the lien or charge of the Deed of Trust in favor of Lender above referred to.

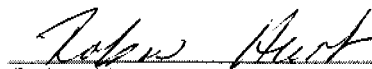
**NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH
ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO
OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER
PURPOSES THAN THE IMPROVEMENT OF THE LAND.**

(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.
(CLTA SUBORDINATION FORM "A")*

OWNER:


James VanGrinsven


Robin Hurt



A.P.N.: **R75554**

Subordination Agreement - continued


File No.: **7021-**

1667682 (TM)


Date: **January 04, 2011**

BENEFICIARY:


Dorothy S. Williams

 DOROTHY S. WILLIAMS

WITNESSED BY:


LOLITA BELL

Date: 01-19-11


MARTY BELL

Date: 1-19-11

**NOTARY ACKNOWLEDGEMENT
ATTACHED TO DOCUMENT Subordination Agreement**

File No: **7021-1667682 (TM)**

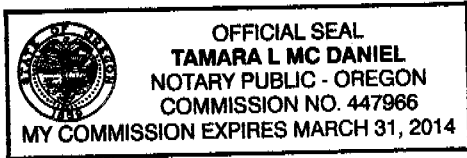
Date: **January 04, 2011**

STATE OF Oregon)
)ss.
County of Klamath)

This instrument was acknowledged before me on this 25 day of January, 2011
by **James VanGrinsven and Robin Hurt.**

[Signature]

Notary Public for Oregon



My commission expires: 3/31/14

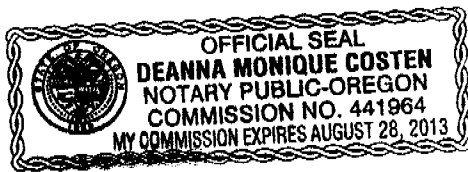


NOTARIZATION CERTIFICATE
FOR SIGNATURE BY MARK

Attached to Document
File No.: 7021-1667682 (TM)

STATE OF OREGON)
) ss
County of Jackson)

On this 19th day of January, 2011, before me personally appeared **Dorothy S. Williams**, proven to me on the basis of satisfactory evidence, to be the person who made and acknowledged her mark on the within instrument (Subordination Agreement) in my presence and in the presence of the two persons who have signed the within instrument as witnesses, one of whom, LOLITA BELL, also wrote the name of the signer by mark near the mark.



Deanna Costen
Notary Public, State of Oregon
My Commission Expires: 8/28/13

AFFIDAVIT OF WITNESSES
TO SIGNATURE BY MARK

STATE OF OREGON)
) ss
County of Jackson)

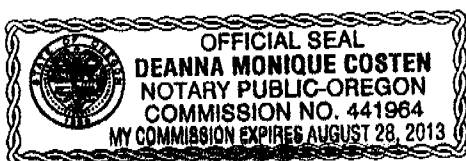
LOLITA BELL and MARTY BELL, after first being duly sworn, declare that:

We saw **Dorothy S. Williams**, the person who executed the foregoing instrument (Subordination Agreement), subscribe the same for the purposes and considerations therein expressed, and that we signed the same as witnesses at the request of the person who executed the same.

Lolita Bell 01-19-11
Signature Date

Marty Bell 1-19-11
Signature Date

SUBSCRIBED AND SWORN TO before me by LOLITA BELL and MARTY BELL this 19th day of January, 2011.



Deanna Costen
Notary Public, State of Oregon
My Commission Expires: 8/28/13