

1st 1750620-SK

2012-002447

Klamath County, Oregon

Grantor Mailing Address
Margaret and Troy Johnson
785 Homedale Road
Klamath Falls, OR 97603



00114960201200024470020021

Th 03/07/2012 03:49:01 PM

Fee: \$42.00

WHEN RECORDED RETURN TO:
Rogue Federal Credit Union
Attn.: Mortgage Processors
PO Box 4550 / 1370 Center Drive
Medford, OR 97501

SUBORDINATION AGREEMENT

Grantor(s): Margaret I. Johnson and Troy D. Johnson, as tenants by the entirety

Grantee(s): Rogue Federal Credit Union

Legal Description: Lot 1 in Block 4, TRACT 1152, NORTH HILLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

THIS SUBORDINATION AGREEMENT (the "Agreement") dated as of March 7, 2012, is entered into among Rogue Federal Credit Union (the "Creditor"), whose address is 1370 Center Drive, Medford, OR 97501, Margaret I Johnson and Troy D Johnson (the "Borrower"), whose address is 785 Homedale Rd Klamath Falls OR 97603, and BCK Capital, Inc. ("New Lender"), whose address is 1420 Esplanade Avenue, Klamath Falls, OR 97601.

RECITALS:

A. Creditor has extended credit in the original amount of Eighty Three Thousand Eight Hundred and Twenty Five Dollars (\$83,825.00) to Borrower (the "Creditor Loan") which is or will be secured by a deed of trust executed by Borrower for the benefit of Creditor (together with any amendments, supplements, extensions, renewals or replacements, the "Creditor Deed of Trust") covering the real property described above (the "Real Property") and the personal property described therein. The Creditor Deed of Trust was recorded at Auditors File No. 2008-007040, on May 13, 2008, in the records of Klamath County, Oregon and re-recorded at Auditors File No. 2008-008693 on June 16, 2008 to correct scrivener error. As of February 22, 2012 the aforementioned deed of trust has a current principal balance of Seventy Four Thousand Nine Hundred Thirty Two Dollars and Twenty Seven Cents (\$74,932.24).

B. New Lender has made or may make a loan in an amount not to exceed Two Hundred Ten Thousand Five Hundred Dollars (\$210,500.00) to Borrower ("New Lender Loan"), which will be secured by a deed of trust executed by Borrower for the benefit of New Lender which is being recorded concurrently with this Agreement (together with any amendments, supplements, extensions, renewals or replacements, the "New Lender Deed of Trust") covering the Real Property and the personal property described therein (the Real Property and such personal property and all products and proceeds thereof, is collectively, the "Property").

C. New Lender has required that its security interest in the Property be superior to the security interest of Creditor in the Property.

In consideration of the matters contained in the foregoing Recitals, which are hereby incorporated herein, and for other valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

AGREEMENT:

1. Subordination.

a. Creditor hereby subordinates any and all of its right, title, claim, lien and interest in the Property and all proceeds thereof, under the Creditor Deed of Trust, to all right, title, claim, lien and interest of New Lender in the Property under the New Lender Deed of Trust.

b. Creditor's agreement to subordinate shall apply to the principal balance on the New Loan, plus all interest, late charges, collection costs and expenses, attorney's fees and amounts paid to third parties to protect or enforce New Lender's security interest, but shall not include increases in the principal balance other than increases required for preservation, maintenance, or improvement of the Property, or performance of Borrower's obligations under New Lender's Deed of Trust.

c. Except as otherwise set forth herein, the priority of security interests in the Property shall be governed by applicable law.

2. **Actions by New Lender.** Creditor agrees that New Lender may foreclose its security interest in the Property and may otherwise act in any manner permitted by the New Lender Deed of Trust or by law without affecting any priority of New Lender hereunder. New Lender agrees that it shall provide Creditor, in such time and manner as is required by applicable law, all notices required to be provided to the beneficiary of a trust deed or mortgagee of a mortgage that is recorded after the deed of trust or mortgage being foreclosed. New Lender agrees that it will not, without prior written consent of Creditor, increase the interest rate or the payments required on the New Lender Loan (except for increases in escrow impound amounts for taxes and insurance, or increases pursuant to variable rate terms in the New Lender Loan documents) or otherwise modify the New Lender Loan in any material respect.

3. **No Obligation.** This Agreement shall not be construed as giving rise to any obligation on the part of Creditor to assume or pay any indebtedness of any person to New Lender, nor shall this Agreement be construed as giving rise to any obligation on the part of Creditor or New Lender to loan any amounts or extend any financial accommodations to Borrower or any other person.

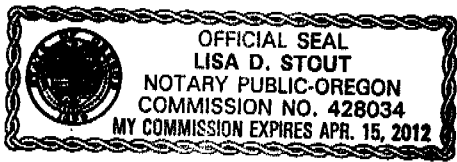
4. **Entire Agreement.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless made in writing and signed by all parties hereto.

5. **Successors.** This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement, and the covenants of Borrower and Creditor respecting subordination of the Creditor Deed of Trust shall extend to, include, and be enforceable by any transferee or endorsee of the Creditor Deed of Trust or the Creditor Loan.

6. **Recitals.** The Recitals are hereby incorporated herein.


CREDITOR:


By: Ariana Denley
Title: Real Estate Specialist




State of Oregon)
) ss.
County of Jackson)

This instrument was acknowledged before me on February 22, 2012 by Ariana Denley as Real Estate Specialist of Rogue Federal Credit Union.


Notary Public for Oregon
Commission No.: 428034
My Commission Expires: Apr 15, 2012

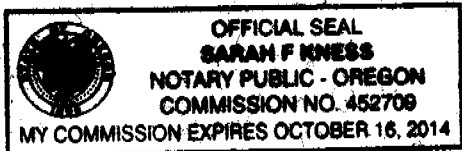
BORROWER:

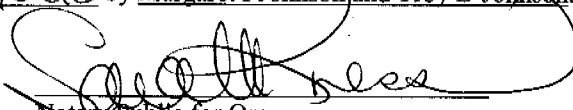
BORROWER:


Margaret I Johnson
State of Oregon)
) ss.
County of Jackson) Klamath


Troy D Johnson

This instrument was acknowledged before me on March 2, 2012 by Margaret I Johnson and Troy D Johnson.



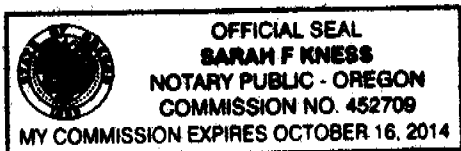

Notary Public for Oregon
Commission No.: 452709
My Commission Expires: 10/16/2014

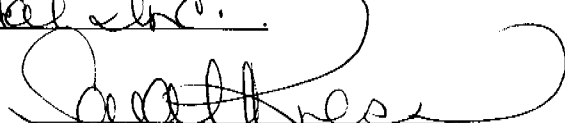
NEW LENDER

BCK Capital Inc
By: Mike Bliss
Title: Loan officer

State of Oregon)
) ss.
County of Klamath)

This instrument was acknowledged before me on March 2, 2012 by Mike Bliss as Loan Officer of BCK Capital Inc.




Notary Public for Oregon
Commission No.: 452709
My Commission Expires: 10/16/2014