

WTC 92957MS

2012-002839

Klamath County, Oregon

RECORDING REQUESTED BY:

Flagstar Bank, FSB

Po Box 7026

Troy MI 48007-7026



00115427201200028390030030

80*6575 Old Fort Rd. Klamath Falls, OR 97603

03/16/2012 11:43:23 AM

Fee: \$47.00

AND WHEN RECORDED MAIL TO:

PREMIERWEST BANK

ATTN: CONSUMER LENDING,

1463 E.MCANDREWS RD, STE 3

MEDFORD, OR 97504

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: 881060

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 **27th** day of **February** by **William L. Schmeck and Cindy M. Schmeck**, owner of the land hereinafter described and hereinafter referred to as "Owner", and **PREMIERWEST BANK**, present owner and holder of the Deed of Trust and Note first hereinafter described and hereinafter referred to as "Beneficiary":

WITNESSETH

THAT WHEREAS **William L. Schmeck and Cindy M. Schmeck** did execute a deed of trust, dated **August 13, 2009**, to **AmeriTitle**, as trustee covering:

Parcel 3 of Land Partition 41-96 being Parcel 2, "Land Partition 73-94" situated in Section 3, and the NE ¼, NE ¼ Section 4, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon

To secure a Note in the sum of **\$60,000.00** dated **August 13, 2009**, in favor of **PREMIERWEST BANK**

Which Deed of Trust was recorded as Instrument # **2009-010998**, recorded on **August 17, 2009**, in the Official Records of **KLAMATH COUNTY, OREGON**

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$ **417,000.00** or less on or about **February 27, 2012**, in favor of **Flagstar Bank FSB**, 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 herein before 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

INITIALS: WLS CMR

47Amf

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 referenced 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 time 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 herein before 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;

(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 the 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 IMPROVEMENT OF THE LAND.

By:

JACK J. BLANKENBURG for
PREMIERWEST BANK, BENEFICIARY

VICE PRESIDENT, CONSUMER CREDIT ADMINSTRATOR
TITLE

William L. Schmeck

Cindy M. Schmeck

State of Oregon

SS:

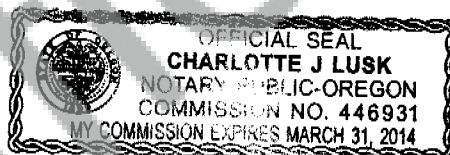
County JACKSON

On February 27, 2011, before me, Charlotte J. Lusk A Notary Public, personally appeared JACK J. BLANKENBURG, VICE PRESIDENT, CONSUMER CREDIT ADMINISTRATOR who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Oregon that the foregoing paragraph is true and correct.

Witness my hand and official seal

Signature Charlotte J. Lusk (Seal)



State of OR

SS:

County Klamath

On 3/5/12, before me, MA Stuart

A Notary Public, personally appeared William L. Schmeck and Cindy M. Schmeck

Who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the foregoing instrument freely and voluntarily.

I certify under PENALTY OF PERJURY under the laws of the State of Oregon that the foregoing paragraph is true and correct.

Witness my hand and official seal

Signature MA Stuart (Seal)

