

2013-009220

Klamath County, Oregon

08/13/2013 09:00:31 AM

Fee: \$57.00

③ 57398193-
2035087

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.

The undersigned Owner and Fixture Lender agree as follows:

1. **Mortgage Loan.** Mortgage Electronic Registration Systems ("**Mortgage Lender**"), is the owner and holder of a mortgage, deed of trust or trust deed dated _____, executed by Shirley M. Cunningham (individually and collectively, if more than one, "**Owner**") which is recorded in the real property records of Klamath County, Oregon (the "**Mortgage**"), securing repayment of a loan from Mortgage Lender (the "**Mortgage Loan**") in the maximum principal amount of \$ 156,800.00. Mortgage and the promissory note and other documents relating to the Mortgage Loan are sometimes hereinafter referred to collectively as the "Mortgage Loan Documents."
RD: 7/31/13 INST: 2013-008640

2. **Fixture Loan.** 1st Security Bank of Washington ("**Fixture Lender**") has made a loan to Owner which is secured by the collateral ("**Fixture Collateral**") described in a UCC Fixture Filing which is recorded or filed in the real property records of Klamath County, Oregon under Recording Number 2009-009726 (the "**Fixture Filing**").

3. **Property.** Owner is the sole owner of the Fixtures and the real property described in the Mortgage and the Fixture Filing, which real property is identified by abbreviated legal description and parcel ID on the front page of this Agreement (the "**Property**").

4. **Subordination of Fixture Filing.** Fixture Lender agrees, for the benefit of Mortgage Lender, that: (i) its security interest in the Fixtures that are the subject of the Fixture Filing is subject and subordinate to the lien of the Mortgage and all other rights under the Mortgage Loan Documents and all advances or charges made or accruing thereunder, including any and all extensions, modifications (other than those prohibited by Section 5 below) and renewals thereof, additional advances thereunder to preserve and protect the collateral or to cure defaults under the Mortgage Loan Documents (whether or not Mortgage Lender is obligated or committed to make such advances) and capitalization of interest, costs and fees in connection with any of the foregoing; and (ii) Fixture Lender claims no interest in the Property other than the security interest in Fixtures which is created by the Fixture Filing.

5. **Prohibited Modifications of Mortgage Loan.** Without the consent of Fixture Lender, which may be granted or withheld in the sole discretion of Fixture

Lender, Mortgage Lender and Owner will not modify the Mortgage Loan Documents so as to: (i) shorten the maturity date of the Mortgage Loan; (ii) cross-default the Mortgage Loan with any other indebtedness of Owner; (iii) increase the interest rate on the Mortgage Loan (other than increases which are contemplated by the Mortgage Loan Documents as they exist today); or (iv) increase the principal amount of the Mortgage Loan.

6. **Acknowledgments of Fixture Lender.** Fixture Lender acknowledges that, prior to the execution thereof, it has had the opportunity to examine the terms of the Mortgage and the Mortgage Loan Documents and consents to the same. Fixture Lender further acknowledges that Mortgage Lender has no obligation to Fixture Lender to advance any funds under the Mortgage or to see to the application of Mortgage Lender's loan funds, and any application or use of such funds for purposes other than those provided for in the Mortgage or any of the other Mortgage Loan Documents shall not defeat the subordination herein made in whole or in part. It is understood by the parties hereto that Mortgage Lender would not make the Mortgage Loan without this Agreement.

7. **Actions by Mortgage Lender; Fixture Lender's Waivers.** Mortgage Lender, without the consent of or notice to Fixture Lender, may release any or all parties liable for any obligation secured by the Mortgage Loan Documents, and release any or all security for the obligations secured by the Mortgage, all without affecting the subordination of the Fixture Filing. Fixture Lender waives any right to require marshaling of assets or to require Mortgage Lender to proceed against or exhaust any specific security for the obligations secured by the Mortgage, and waives any defense arising out of the loss or impairment of any right of subrogation to the lien of the Mortgage. With the exception of modifications prohibited by Section 5 above, Mortgage Lender and Owner may freely enter into extensions, modifications and renewals of the Mortgage Loan Documents without notice to or consent of the Fixture Lender and no such modification, extension or renewal shall defeat the subordination made in this Agreement in whole or in part.

9. **Entire Agreement.** This Agreement shall be the whole and only agreement between the parties hereto with regard to the subordination granted herein and shall supersede and cancel any prior agreements as to such subordination.

10. **Successors and Assigns.** The heirs, administrators, assigns and successors in interest of the parties hereto shall be bound by this agreement.

Notices. All notices, demands or other communications to be given or sent pursuant to this agreement shall be delivered personally or by reputable overnight courier service, and shall be deemed given when actually received or rejected by the intended recipient.

If to Fixture Lender: 1st Security Bank of Washington
6920 220th Street SW
Mountlake Terrace, WA 98043
Attention: Loan Servicing

If to Mortgage Lender: Mortgage Electronic Registration Systems
Quicken Loans, Atten: Original Docs Sub Team
635 Woodward Ave.
Detroit, MI 48226

If to Owner: Shirley M. Cunningham
5229 Cottage Ave
Klamath Falls, OR 97603


Any party may change the address to which notices are to be sent to it by written notice to the other parties in the manner aforesaid.

12. **Governing Law; Attorneys Fees.** This Agreement shall be governed by and construed in accordance with the laws of the State where the Property is located. The prevailing party shall be entitled to its reasonable attorneys fees and all other costs and expenses in any action to enforce or interpret this Agreement.

DATED as of the 15th day of April, 2013.

**FIXTURE
LENDER:**

**1ST SECURITY BANK OF
WASHINGTON**

By: 
Name: Sue Coldwell
Title: Consumer Lending Manager

OWNER:

X _____
X _____

If to Fixture Lender: 1st Security Bank of Washington
6920 220th Street SW
Mountlake Terrace, WA 98043
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DATED as of the 15th day of April, 2013.

**FIXTURE
LENDER:**

**1ST SECURITY BANK OF
WASHINGTON**

By: Sue Coldwell

Name: Sue Coldwell

Title: Consumer Lending Manager

OWNER:

X Shirley M. Cunningham
X _____

Exhibit A- Legal Description

Tract 148, PLEASANT HOME TRACTS NO. 2, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.