

2020-003853

Klamath County, Oregon

03/31/2020 03:33:31 PM

Fee: \$102.00

WHEN RECORDED RETURN TO:

Northwest Community Credit Union
PO Box 10607
Eugene, OR 97440

This space provided for Recorder's Use

SUBORDINATION AGREEMENT

Grantor(s): Willamette Valley Bank
Grantee(s): Northwest Community Credit Union

Legal Description: See Exhibit "A"

THIS SUBORDINATION AGREEMENT (the "Agreement") dated as of March 26th, 2020, is entered into among NORTHWEST COMMUNITY CREDIT UNION (the "Creditor"), whose address is 545 E 8th Ave, Eugene, OR 97401, Kevin Bernhardt & Michelle Bernhardt, as tenants by the entirety (the "Borrower"), whose address is 7835 Skycrest Dr Klamath Falls OR 97601 and Willamette Valley Bank ("New Lender"), whose address is 611 Medford Center Dr Medford OR 97504.

RECITALS:

A. Creditor has extended credit in the amount of \$50,000.00 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 under recording/instrument 2018-008740, on 07-24-2020 in the records of Klamath County, Oregon.

B. New Lender has made or may make a loan in the amount of \$308,000.00 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.

7. CREDITOR:

NORTHWEST COMMUNITY CREDIT UNION

By: Cheryl Clow
Title: Chief Credit Officer

BORROWER:

By: Kevin Bernhardt
Title: _____

BORROWER:

By: Michelle Bernhardt
Title: _____

NEW LENDER

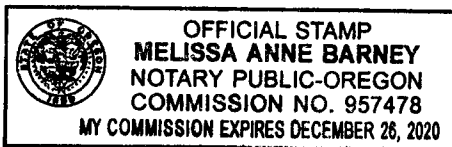
By: [Signature]
Title: Loan Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON)
County of Melton) ss.

This Subordination Agreement was acknowledged before me on March 30, 2020 by
Kevin Bernhardt and Michelle Bernhardt

Dated: 3-30-2020



Notary Public for Oregon
My Commission Expires: 12/26/2020

CORPORATE ACKNOWLEDGMENT

STATE OF OREGON)
County of _____) ss.

This Subordination Agreement was acknowledged before me on 3/26, 2020 by Cheryl Cron, as Chief credit officer of Northwest Community Credit Union.

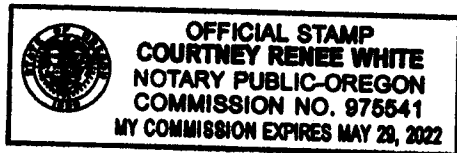


Dated: 3/26/2020
Terri Marie Densmore
Notary Public for Oregon
My Commission Expires: 6-13-2023

CORPORATE ACKNOWLEDGMENT

STATE OF OREGON)
County of Jackson) ss.

This Subordination Agreement was acknowledged before me on March 31, 2020 by Tamara Rodgers, as Loan Officer of Willamette Valley Bank.



Dated: 3/31/2020
Courtney Renee White
Notary Public for Oregon
My Commission Expires: May 29, 2022

EXHIBIT "A"
LEGAL DESCRIPTION

Lot 5 in Block 2, TRACT NO. 1034, LAKEWOODS SUBDIVISION UNIT NO.1, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.