

SUBORDINATION AGREEMENT

THIS AGREEMENT made and entered into this _____day of _____, 2010, by and between the following:

1. **ADA COUNTY INDIGENT SERVICES** (referred to herein as the “Junior Lienholder”), who is the current beneficiary of a statutory Lien pursuant to Idaho Code Title 31, dated the 12th day of January, 2010, which was recorded on _____, 2010, as Instrument No. 109136484, records of Ada County, Idaho;
2. **KEY BANK NATIONAL ASSOCIATION** (referred to herein as “Lender”), who is the prospective “First Lienholder” and beneficiary of a Deed of Trust dated the ___day of _____, 20___, which was/will be recorded on _____, 20___, as Instrument No. _____, records of Ada County, Idaho; and
3. **HAFALIC** (referred to herein as “Owner”), who is the Owner of all the real property described in the Deed of Trust identified in Paragraph 2 above and known as 1017 N. Parkdale Avenue, Meridian, Idaho 83642, Parcel No. _____.

In consideration of the benefits to the Junior Lienholder received from the Owner, the receipt and sufficiency of which is hereby acknowledged, and to induce Lender to advance funds under its Deed of Trust and all agreements in connection therewith, the Junior Lienholder does hereby unconditionally subordinate the Lien identified in Paragraph 1 above to the Lien of the Lender’s Deed of Trust identified in Paragraph 2 above, and to all advances or charges made or accruing thereunder, including and extension or renewal thereof.

It is understood by the parties hereto that the Lender would not make the loan secured by the Deed of Trust described in Paragraph 2 without this agreement.

This agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the Lien described in Paragraph 1 to the Lien or charge of the Deed of Trust in favor of the Lender described in Paragraph 2 above and shall supersede and cancel any prior agreements as to such, or any, subordination including, but not limited to, those provisions, if any, contained in the lien described in Paragraph 1 that will be provided for the subordination of the Lien to a deed of trust to be thereafter executed.

The heirs, administrators, assigns and successors in interest of the Junior Lienholder shall be bound by this agreement.

If this agreement is given to an attorney for enforcement, or if suit is brought for collection or enforcement, or if it is enforced or collected through probate, bankruptcy, or other judicial proceedings by one of the parties hereto, then the prevailing party in such matters shall receive all costs of such collection or enforcement, including reasonable attorney’s fees and court costs in addition to other amounts due.

