

**Security Trust Mortgage, Inc.**

Oregon Mortgage Broker M-128

**Mediation/Arbitration Agreement**

Borrower/s and Security Trust Mortgage, Inc., and any employee or agent thereof involved in this transaction, each agree that all claims, controversies, and disputes, whether statutory, contract, or in tort (between or among any of them which arise out of or are related to this transaction, or which can relate to the interpretation or breach of this agreement hereafter collectively referred to as 'claims') shall be resolved in accordance with the mediation, small claims, and arbitration provisions set forth herein. This provision shall survive the closing of any transaction related hereto. The filing of a Notice of Pending Action (Lis Pendens) or the application to any court having jurisdiction thereof for the issuance of any provisional process or other remedy described in the Oregon Rules of Civil Procedure, or corresponding federal remedies, including restraining order, attachment, or appointment of a receiver, shall not constitute a waiver of the right to, or waiver of the duty to, use the procedures specified herein.

**Mediation:** All parties acknowledge that the use of mediation is the preferred method of resolving disputes and controversies. All claims shall first be submitted to mediation. The failure to offer or agree to mediate a claim shall result in the denial of the right to prevailing attorney fees in any following arbitration.

**Small Claims:** All claims which are within the jurisdiction of the Small Claims Department of the District Court of the State of Oregon may be brought and determined there, and such claims shall not be required to be first submitted to mediation.

**Arbitration:** All claims that have not been resolved by mediation, or which have not been filed in Small Claims Court, shall be resolved by arbitration in accordance with the arbitration rules of the Arbitration Service of Portland. A judgement upon the award rendered pursuant to the arbitration may be entered in any court having jurisdiction thereof. The prevailing party in any arbitration shall be entitled to an award of reasonable attorney fees and costs unless that party failed to offer or agree to participate in the mediation process as described previously.

Borrower/s agrees to the same terms as above when considering any actions against any third party involved in the transaction, including but not limited to the appraiser, lender, credit bureau.

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Borrower Date

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Borrower Date

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Borrower Date

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Borrower Date