THIS AGREEMENT, Made and entered into this 13 th day of December by and between Kenneth E. Ward and Mary E. Ward hereinafter called the first party, and Oregon Department of Veterans' Affairs hereinafter called the second party; WITNESSETH:
On or about March 16 , 1978 Kenneth E. Cunard and Maryann L. Cunard , being the owner of the following described property in Klamath County, Oregon, to-wit:

see attached Exhibit "A"

exec (her	uted and delivered to the first party his ce ein called the first party's lien) on said de —Recorded on March 17	ertain mortgage [State whether mortgage, trust deed escribed property to secure the sum of \$, 19 78 , in the Mortgage Records	contrast, security agreement or otherwise) 31,931.97, which lien was of Klamath County,			
s tran	Oregon, in book M-78 at page 520	1 thereof or as file/reel number	(indicate which);			
<u></u>		19 , in the office of the				
100g	County, Oregon	n, where it bears the rile/reel No	(indicate which);			
inen inen	—Created by a security agreement, notice of which was given by the filing on, 19, of					
out any langue is not pertinent	Secretary of State a financing statement in the office of the Oregon Department of Motor Vehicles where it bears file No.					
9.2		of	County, Oregon,			
(Cross which is	where it bears the file/reel No.	(State Title)(indicate which).				
and . desc	erence to the document so recorded or filed at all times since the date thereof has bee The second party is about to loan the tribed, with interest thereon at a rate no ent owner's	en and now is the owner and holder there sum of \$ 22,122.00 to the pres	of and the debt thereby secured. ent owner of the property above			

days from its date. second party's lien) upon said property and to be repaid within not more than To induce the second party to make the loan last mentioned, the first party heretolore has agreed and consented to subordinate first party's said lien to the lien about to be taken by the second party as above set forth.

NOW, THEREFORE, for value received and for the purpose of inducing the second party to make the loan aforesaid, the first party, for himself, his personal representatives (or successors) and assigns, hereby covenants, consents and agrees to and with the second party, his personal representatives (or successors) and assigns, that the said first party's lien on said described property is and shall always be subject and subordinate to the lien about to be delivered to the second party, as aforesaid, and that second party's said lien in all respects shall be first, prior and superior to that of the first party; provided always, however, that if second party's said lien is not duly filed or days after the date hereof, this sub-

(State nature of lien to be given, whether mortgage, trust deed, contract, security agreement or otherwise)

recorded or an appropriate financing statement thereon duly filed within ordination agreement shall be null and void and of no force or effect.

It is expressly understood and agreed that nothing herein contained shall be construed to change, alter or impair the first party's said lien, except as hereinabove expressly set forth.

In construing this subordination agreement and where the context so requires, the singular includes the plural; the masculine includes the feminine and the neuter, and all grammatical changes shall be supplied to cause this agreement to apply to corporations as well as to individuals.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal; if the undersigned is a corporation, it has caused its corporate name to be signed and its corporate seal to be affixed hereunto by its officers duly authorized thereunto by order of its board of directors, all on this, the day, and year first above written.

County of Klamath Personally appeared the above named Kenneth E. Ward and Mary E. Ward and disknowledged the foregoing instrument to be their voluntary act and deed. Before me: (SEAE) My commission expires Notary Public for Oregon for STATE OF OREGON, STATE OF OREGON, County of Klavin-K Personally appeared who being duly sworn, did say that he is the of corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation by authority of its Board of and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of the said instrument was signed and sealed on behalf of said corporation by authority of its Board of the said corporation by authority of	STATE OF OREGON,	,		
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DESCRIPTION

28991

That certain real property located in Klamath County, Oregon, more particularly

The Es of SDE of Section 32 and the Wa of SWE of Section 33, Township 39 South, Range 11% East of the Willamette Meridian, excepting therefrom a strip of land 60 feet wide across the NWLSWE of said Section 32, conveyed to United States of

The South 500 feet of SW% of SE% and that portion of the SW% of SE% described as beginning at a point on the East line of said SWR of SER that is 500 feet North of the Conthernt corner of said SW4 of SE4; thence West to the centerline of anexisting rout; thence Northwesterly along the centerline of said road \$25 feet; thence North to the North line of said SW% of SE%; thence East to the Northeast corner of said SW; of SEC; thence South to the point of beginning, all in Section 32, Township 39 South, Range 11 East of the Willamette Meridian, Klamath County,

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PROPERTY:

A tract of land situated in the SEV of Section 32, Township 39 South, Hange 115 Fast of the Willamette Meridian, Klamath County, Oregon, begin more particularly

Communication at the Southeast corner of said Section 32, thence North 89° 59' West along the Couth line of said Section 32, 1,289.58 feet; thence, leaving said Couth line. North 199.03 feet to a 5/8" iron pin marking the point of beginning of this decorption: thence North 16° 58' 13" West 82.64 feet to a 5/8" iron jin; thousand Wirth his set of East 68.17 feet to a 5/8" iron pin; thence North 10° in; 10° thence, if ath 67° 45' 37" East 45.80 feet to the point of beginning.

> HATE OF OREGON; COUNTY OF KLAMATH; 85. filed for record at request of <u>Mountain Title co.</u> 18th day of <u>December</u> A.D. 19.79 at 10:58 ock AM., an ulv recorded in Vol. M79 of Mortgages on Page 28939 WE, D. HILKE, County Cle

> > Exhibit "A"