

41479

MTC 41544  
SUBORDINATION

This subordination is executed this 15 day of July, 1997 by John Espinosa and Deborah Espinosa, herein Subordinator.

## RECITALS

1. Bradley Gene Shuck and Linda M. Shuck are the owners of the following described real property situated in the County of Klamath, of Oregon to wit:  
  
Lot 5 in Block 1, Bel Aire Gardens, according to the official plat hereof on file in the office of the county clerk of Klamath County, Oregon.
2. Owner has made application for a loan in the amount of \$42,500 from Southern Pacific Funding herein Lender, to be secured by a trust deed or mortgage against the real property above described, herein lender's encumbrance.
3. Subordinator has an interest in or lien upon the real property described below, as follows:  
  
{x} Mortgage  
As mortgagee under a mortgage dated September 4, 1992, and recorded September 14, 1992, as Instrument number M92 Page 20876, Official Records of Klamath County, Oregon.

The above interest is herein referred to as Subordinator's lien.

4. Subordinator has never sold or assigned subordinator's lien and is the present owner and holder thereof and the debt thereby secured.
5. Lender is willing to make said loan provided that (a) lender's encumbrance is a lien or charge upon the above-described property, prior and superior to the subordinator's lien, and (b) subordinator specifically and unconditionally subordinates subordinator's lien to lender's encumbrance.
6. To induce lender to make its loan as above mentioned, subordinator has agreed and consented to subordinate subordinator's lien to the encumbrance about to be taken by lender as above set forth.

Now, therefore, in consideration of benefits to subordinator from owners, receipt and sufficiency of which are hereby acknowledged, and to induce lender to advance funds under its encumbrance and all other loan agreements, subordinator hereby consents, covenants and agrees that all of subordinator's right, title, lien and interest in, to, and upon the real property described above, shall be subject to and subordinate to lender's encumbrance to be made, executed and delivered in favor of or for the benefit of the lender and that lender's encumbrance, including any and all advance, extensions or renewals thereof, shall be first prior, and superior to any right, title, lien or interest of the subordinator.

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Subordinator acknowledges that, prior to the execution hereof, Subordinator has had the opportunity to examine the terms of lender's encumbrance, note, and agreements related thereto: that subordinator consents to and approve same, and recognizes that lender has no obligations to subordinator to advance any funds under lender's encumbrance, note or agreements shall not defeat this subordination, in whole or in part.

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

In the event that the loan above mentioned is an additional advance to be made under the open-end provisions of an existing trust deed or mortgage held by the lender as a first lien upon the property described above, subordinator agrees that all of subordinator's right, title lien or interest in, to and upon said real property shall not be subject to and subordinate to the lenders' and subordinate to the lenders' existing trust deed or mortgage not only for the unpaid balance of the original loan and any further advances heretofore made and secured by lenders' encumbrance, but also for the additional advances now and hereafter to be made by lender to owner.

IN WITNESS WHEREOF, subordinator has executed this subordination agreement on the date first written:

John Espinosa  
John Espinosa

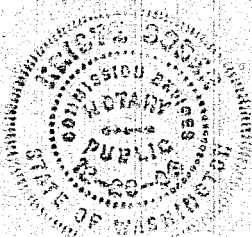
Deborah Espinosa  
Deborah Espinosa

State of Oregon  
County of Klamath

The foregoing instrument was acknowledged before me this 15 day of July 1997 by

W. Note Sober

Notary Public for Washington



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 23rd day  
of July A.D., 19 97 at 11:11 o'clock A M., and duly recorded in Vol. M97  
of Mortgages on Page 23160

FEE \$15.00

By Bernetha G. Letsch County Clerk  
Bernetha G. Letsch