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## SUBORDINATION AGREEMENT

STATE OF OREGON.

County of \_\_\_\_\_ } ss.

I certify that the within instrument was received for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and recorded in book/reel/volume No. \_\_\_\_\_ on page \_\_\_\_\_ and/or as fee/file/instrument/microfilm/reception No. \_\_\_\_\_ Records of said County.

Witness my hand and seal of County affixed.

By \_\_\_\_\_ NAME \_\_\_\_\_ TITLE \_\_\_\_\_ Deputy

After recording, return to (Name, Address, Zip):

Oregon Housing & Comm. Services Dept.  
1600 State Street  
Salem, OR 97301-0302

SPACE RESERVED  
FOR  
RECORDER'S USE

THIS AGREEMENT made and entered into this \_\_\_\_\_ day of April, 19\_\_\_\_ by and between Oregon Housing and Community Services Department hereinafter called the first party, and Washington Mutual hereinafter called the second party, WITNESSETH:  
On or about July 14, 1993, D & S Properties, a partnership, an estate in fee simple, being the owner of the following described property in Klamath County, Oregon, to-wit:

Lots 9, 10, 11, Block 4; CANAL ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

CODE 1.1 MAP 3809-32AA TL 2200

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE)

executed and delivered to the first party a certain Oregon Housing and Community Services Department Home Investment Partnerships Program Declaration of Land Use Restrictive Covenants, the provisions contained in said documents, (herein called the first party's lien) on the property, to secure the sum of \$476,000.00, which lien was:

- Recorded on \_\_\_\_\_, 19\_\_\_\_, in the Records of \_\_\_\_\_ County, Oregon, in book/reel/volume No. M-93 at page 17021 and/or as fee/file/instrument/microfilm reception No. 64605 (indicate which);
- Filed on \_\_\_\_\_, 19\_\_\_\_, in the office of the \_\_\_\_\_ of \_\_\_\_\_ County, Oregon, where it bears fee/file/instrument/microfilm reception No. \_\_\_\_\_ (indicate which);
- Created by a security agreement, notice of which was given by the filing on \_\_\_\_\_, 19\_\_\_\_ of a financing statement in the office of the Oregon Secretary of State Dept. of Motor Vehicles (indicate which) where it bears file No. \_\_\_\_\_ and in the office of the \_\_\_\_\_ County, Oregon, where it bears fee file/instrument/microfilm reception No. \_\_\_\_\_ (indicate which).

Reference to the document so recorded or filed is hereby made. The first party has never sold or assigned first party's lien and at all times since the date thereof has been and now is the owner and holder thereof and the debt thereby secured.

The second party is about to loan the sum of \$476,000.00 to the present owner of the property, with interest thereon at a rate not exceeding 8.25% per annum. This loan is to be secured by the present owner's Trust Deed

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

the second party's lien) upon the property and is to be repaid not more than time as \_\_\_\_\_ days \_\_\_\_\_ years (indicate which) from its date. specified in security documents

(OVER)

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To induce the second party to make the loan last mentioned, the first party has agreed and consented to subordinate first party's 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, on behalf of the first party and also on behalf of the first party's personal representatives, successors, and assigns, hereby covenants, consents and agrees to and with the second party and second party's personal representatives, successors, and assigns, that the first party's lien on the property is and shall always be subject and subordinate to the lien about to be delivered to the second party as aforesaid, and that the second party's lien in all respects shall be first, prior and superior to that of the first party, provided always, however, that if the second party's lien is not duly filed or recorded, or an appropriate financing statement with respect thereto duly filed within 60 days after the date hereof, this subordination agreement shall be null and void and of no force or effect.

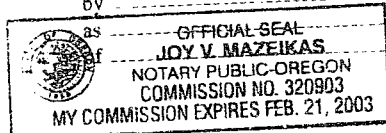
It is expressly understood and agreed that nothing herein contained shall be construed to change, alter or impair the first party's lien, except as hereinabove expressly set forth.

In construing this subordination agreement, and where the context so requires, the singular includes the plural, and all grammatical changes shall be made so that this agreement shall apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the undersigned has executed this agreement. If the undersigned is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors

By: Markus K. Kauer  
Manager, Asset and Property Management

STATE OF OREGON, County of Marion ) ss. April 12, 1999.  
This instrument was acknowledged before me on  
by Marlys Laver  
This instrument was acknowledged before me on  
by \_\_\_\_\_, 19\_\_\_\_



Joy Mazeikas  
Notary Public for Oregon  
My commission expires 2-21-2003

STATE OF OREGON COUNTY OF KLAMATH: ss. \_\_\_\_\_ the 19th day  
Filed for record at request of Aspen Title & Escrow  
of Deeds A.D., 1999 at 11:11 o'clock AM and duly recorded in: Vol. M99  
of Mortgages on Page 14138  
Linda Smith, County Clerk

FEE \$ 15.00

by L. Pauline M. M. M. M.