

## SUBORDINATION AGREEMENT

Klamath Public Employees FCU

To  
National Funding Service, Inc.

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

Klamath Public Employees FCU

3737 Shasta Way

Klamath Falls, OR 97603

SPACE RESERVED  
FOR  
RECORDER'S USE

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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.

NAME

TITLE

By \_\_\_\_\_, Deputy.

MTC 48050-MS

THIS AGREEMENT made and entered into this 20th day of May, 1999, by and between Klamath Public Employees Federal Credit Union hereinafter called the first party, and National Funding Service, Inc. hereinafter called the second party, WITNESSETH:

On or about April 8, 1993, Sergio C. Galvez and Irma Galvez

being the owner of the following described property in Klamath County, Oregon, to-wit:

See legal description attached hereto and made a part hereof as Exhibit "A"

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE)

executed and delivered to the first party a certain judgment

(State whether mortgage, trust deed, contract, security agreement or otherwise)

(herein called the first party's lien) on the property, to secure the sum of \$ 1,020.70\*\*, which lien was: \*\*plus costs

Recorded on \_\_\_\_\_, 19\_\_\_\_, in the Records of \_\_\_\_\_ County, Oregon, in book/reel/volume No. \_\_\_\_\_ at page \_\_\_\_\_ and of as fee/file/instrument/microfilm/reception No. \_\_\_\_\_ (indicate which);

Filed on April 8, 1993, in the office of the Circuit Court of Klamath County, Oregon, where it bears fee/file/instrument/microfilm/reception No. 93CQ632CV (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 \$ 88,364.00 to the present owner of the property, with interest thereon at a rate not exceeding 8.0% 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) (hereinafter called

the second party's lien) upon the property and is to be repaid not more than 30 days 2 years (indicate which) from its date.

(OVER)

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 30 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.

Klamath Public Employees Federal Credit Union

By Jim Heath

Jim Heath, Treasurer-Manager

STATE OF OREGON, County of Klamath ) ss.

This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_,

by \_\_\_\_\_

This instrument was acknowledged before me on May 20, 1999,

by Jim Heath

as Treasurer and Manager

of Klamath Public Employees Federal Credit Union

Robin L. Milstead

Notary Public for Oregon

My commission expires 9/15/1999

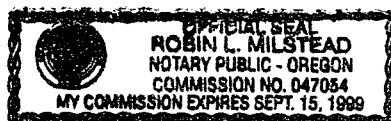


EXHIBIT "A"  
LEGAL DESCRIPTION

A portion of Tracts 25 and 32, TOWNSEND TRACTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, more particularly described as follows:

South 74.25 feet of East 100 feet of Lot 25 and that portion of Lot 32 described as follows:

Commencing at the Southeast corner of Tract 25 of said Townsend Tracts; thence South on a line parallel to the West line of said tract 32 a distance of 17.75 feet; thence West on a line parallel to and 17.75 feet distant from the North line of said Tract 32 a distance of 100 feet; thence North on a line parallel to West line of said tract 32 a distance of 17.75 feet to the North line of said Tract 32; thence East along the North line of Tract 32 a distance of 100 feet to the point of beginning.

State of Oregon, County of Klamath  
Recorded 5/25/99, at 11:29 a.m.  
In Vol. M99 Page 20748  
Linda Smith, County Clerk  
Fee \$ 30 -

*Linda Smith*