

MTC - 61115

Vol M03 Page 56239

State of Oregon, County of Klamath
 Recorded 08/05/2003 3:29 p. m
 Vol M03 Pg 56239-011
 Linda Smith, County Clerk
 Fee \$ 31.00 # of Pgs 3

WHEN RECORDED MAIL TO:
 WASHINGTON MUTUAL BANK
 CONSUMER LOAN RECORDS CENTER
 1170 SILBER RD.
 HOUSTON, TX 77055
 ATTN: MAILSTOP: CLRVLRRX

Loan No. 0017039025

SPACE ABOVE FOR
 RECORDER'S USE ONLY

SUBORDINATION AGREEMENT *of a Thrst deed*

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO THE OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT

THIS AGREEMENT, made this 31st day of July by Mark L Sargent and Janet K Sargent, owner of the land herein after described and hereinafter referred to as "Owner", and Washington Mutual Bank present owner and holder of the Security Instrument and Note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, Mark Sargent and Jan Sargent, as tenants by the Entirety, as Grantor, did execute a Security Instrument, dated June 23, 1995 to Stewart Title Guaranty, as Trustee, covering:

The SE ¼ of the NW ¼ of Section 2, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

to secure a Note in the sum of \$ 40,000.00 dated June 23, 1995 in favor of Washington Mutual Bank which Security Instrument was recorded on June 28, 1995, in Book M95 Page 16951, Micro film Official Records, in the Office of the County Recorder of Klamath County, State of Oregon, and

WHEREAS, Owner has executed, or is about to execute, a Security Instrument and Note in the sum of \$198,800.00, dated 7/30/2003, in favor of Washington Mutual Bank, herein after referred to as "Lender", payable with interest and upon the terms and conditions described therein, which Security Instrument is to the recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said Security Instrument last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the Security Instrument first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the Security Instrument securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the Security Instrument first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the Security Instrument first above mentioned to the lien or charge of the Security Instrument in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the Security Instrument securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the Security Instrument first above mentioned.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

31/4

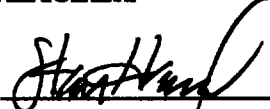
- (1) That said Security Instrument securing said Note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the Security Instrument first above mentioned.
- (2) That Lender would not make its loan above described without this Subordination Agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Security Instrument first above mentioned to the lien or charge of the Security Instrument in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the Deeds of Trust hereinbefore specifically described, and any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in the Security Instrument first above mentioned, which provide for the subordination of the lien or charge thereof to another Deed or Deeds of Trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that

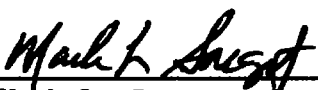
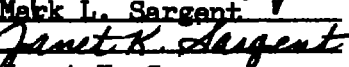
- A) He consents to and approves (i) all provisions of the Note and Security Instrument in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;
- B) Lender in making disbursements pursuant to any such agreement in under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
- C) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Security Instrument first above mentioned in favor of the lien or charge upon said land of the Security Instrument in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and
- D) An endorsement has been placed upon the Note secured by the Security Instrument first above mentioned that said Security Instrument has by this instrument been subordinated to the lien or charge of the Security Instrument in favor of Lender above referred to.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

BEFECIARY

By: 
 Name: STAN HANZEL
 Title: CORPORATE OFFICER

OWNER

By: 
Mark L. Sargent
 By: 
Janet K. Sargent

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

(SUBORDINATION FORM "A")

IN THE STATE OF

Oregon

COUNTY OF

Clackamas

On

July 31, 2003

before me,

Sandra B Guizar

Personally appeared

STAN HANZEL

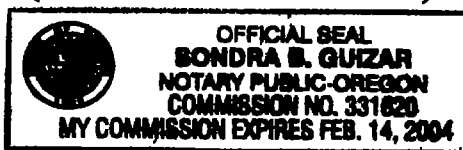
, Corporate Officer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Signature

Sandra B Guizar

(This area for official notarial seal)



IN THE STATE OF

OREGON

COUNTY OF

KLAMATH

On

8/5/03

before me,

Pamela J Spencer

Personally appeared

MARK L. SARGENT AND JANET K. SARGENT

, ~~CORPORATE OFFICER~~, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Signature

Pamela J Spencer

(This area for official notarial seal)

