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SUBORDINATION AGREEMENT

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Aspen 58204

Klamath Public Employers Fed. CU.  
3737 Shasta Way  
Klamath Falls, OR 97603  
Washington Mutual Bank  
2655 Shasta Way Ste. 9  
Klamath Falls, OR 97603

SPACE RESERVED  
FOR  
RECORDER'S USE

State of Oregon, County of Klamath  
Recorded 12/01/03 2:30 p m  
Vol M03 Pg 87896-97  
Linda Smith, County Clerk  
Fee \$ 26.00 # of Pgs 2

ixed.

eputy.

After recording, return to (Name, Address, Zip):  
Klamath Public Employers Fed. CU.  
3737 Shasta Way  
Klamath Falls, OR 97603

THIS AGREEMENT dated November 12, 2003  
by and between Klamath Public Employers Federal Credit Union  
hereinafter called the first party, and Washington Mutual Bank  
hereinafter called the second party, WITNESSETH:  
On or about (date) February 9, 1999, John R. Kelly and Margaret J. Kelly  
Kelly, being the owner of the following described property in Klamath County, Oregon, to-wit:

The South 145.33 Feet of Lot 3, Block 3, PINE GROVE  
PONDEROSA, according to the official plat thereof on  
file in the office of the Clerk of Klamath County,  
Oregon.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE)

executed and delivered to the first party a certain trust deed  
(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 \$ 50,000, which lien was:

- (Delete any language not pertinent to this transaction)
- Recorded on February 9, 1999, in the Records of Klamath County, Oregon, in book/reel/volume No. M-99 at page 4625 and/or as fee/file/instrument/microfilm/reception No. \_\_\_\_\_ (indicate which);
  - Filed on \_\_\_\_\_, 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 \_\_\_\_\_, 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 \_\_\_\_\_ of \_\_\_\_\_ 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 \$ 125,000 to the present owner of the property, with interest thereon at a rate not exceeding 6.00 % per annum. This loan is to be secured by the present owner's

Mortgage (hereinafter called  
(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 30 ☐ days ☒ years (indicate which) from its date.

(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 \_\_\_\_\_ 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.

Gwen D. Smith

Loan Officer

STATE OF OREGON, County of Klamath ) ss.

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

by \_\_\_\_\_

This instrument was acknowledged before me on November 14, 2003

by Gwen D. Smith

as Loan Officer

of Klamath Public Employees Federal Credit Union

Roein L. Belt  
Notary Public for Oregon  
My commission expires 9/30/2007

