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Vol M04 Page 07999

State of Oregon, County of Klamath  
Recorded 02/10/2004 11:34 a m  
Vol M04 Pg 7999-8001  
Linda Smith, County Clerk  
Fee \$ 31.00 # of Pgs 3

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**SUBORDINATION AGREEMENT**

THIS AGREEMENT is made on this 14th of Jan 2004  
by Steve M Gorham and Francine R Gorham owner (the "Owner") of the real  
property hereinafter described (the "Property"), and Washington Mutual present holder  
of the Mortgage and Note first hereinafter described (the "Beneficiary");

**WITNESSETH**

THAT WHEREAS, Steve M Gorham and Francine R Gorham executed a  
Mortgage, dated Jan 15, 2004 for the benefit of Beneficiary and which encumbers the  
following described real property:

Real property in the County of Klamath, State of Oregon, described as follows;

Lots 21,22,23 and 24 in Block 28, Mountain View Addition to the City of  
Klamath Falls, Oregon according to the official plat thereof on file in the office of the  
County Clerk of Klamath County Oregon SAVING AND EXCEPTING THEREFROM  
and following:

A tract of land being a portion of Lot 21 Block 28 Supplemental Plat of Mountain  
View Addition to Klamath Falls, Oregon, a duly recorded subdivision, more particular  
described as follows:

Beginning at the Northwest corner of said Lot 21; thence N. 89 56'57" E., along  
the North line of said Lot 21, 7.22 feet to a ½-inch iron pin on the West line of said Lot  
21; thence N. 00 05'00" W., 49.85 feet to a point of beginning, with bearing based on  
Survey No. 3546, as recorded in the office of the Klamath County Surveyor.

Tax Parcel Number: 172734

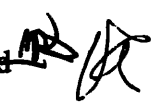
WHEREAS, Owner has now executed, or is about to execute, a Deed of Trust in  
the sum of 90,000, dated Jan 15 2004, in favor of Nexstar Financial Corporation, its  
successors and assigns (the "Lender") payable with interest and upon the terms and  
conditions described therein and which will be recorded in the Official Records of said  
County and which will also encumber the Property; and

WHEREAS, it is a condition precedent to obtaining the new loan from Lender that said Mortgage last above mentioned shall unconditionally be and remain at all times a lien or charge upon the Property, prior and superior to the lien or charge of the Mortgage held by Beneficiary first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the Mortgage securing the same is a lien or charge upon the above described Property, prior and superior to the lien or charge of the Mortgage first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the Mortgage first above mentioned to the lien or charge of the Mortgage in favor of the 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 Mortgage securing the new loan shall, when recorded, constitute a lien or charge upon the Property which is unconditionally prior and superior to the lien or charge of the Mortgage 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:

- (1) That said Mortgage securing said Note in favor of Lender, ~~and any renewals and 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 Mortgage first above mentioned. 
- (2) That Lender would not make its loan above described without this subordination agreement.
- (3) Nothing herein contained shall affect the validity or enforceability of Beneficiary's Deed of Trust except for the subordination as aforesaid.

That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the Mortgage first above mentioned to the lien or charge of the Mortgage in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the Mortgage hereinbefore specifically described, any prior agreements as to such subordination, including, but not limited to, those provisions, if any contained in the Mortgage 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:

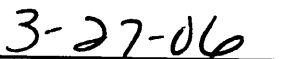
- (1) It consents to and approves (i) all provisions of the Note and Mortgage in favor of Lender, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan.
- (2) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person(s) 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.
- (3) It intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Mortgage first above mentioned in favor of the lien or charge upon said land of the Mortgage 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.
- (4) An endorsement has been placed upon the Note secured by the Mortgage first above-mentioned that said Mortgage has by this instrument been subordinated to the lien or charge of the Mortgage in favor of Lender.

**(5) This Agreement shall be binding on the Beneficiary and its successors and assigns.**

Francine R. Barr Stephen M. Joshua

STATE OF Oregon )  
 ) ss.  
County of Klamath )

The foregoing instrument was acknowledged before me on this 5 day of February, 2004, by Francine E Gorham and Stephen M Gorham.



Susan Marie Campbell  
NOTARY PUBLIC

**BENEFICIARY:** ~~Washington Mutual Bank~~

BENEFICIARY: **Washington Mutual Bank**

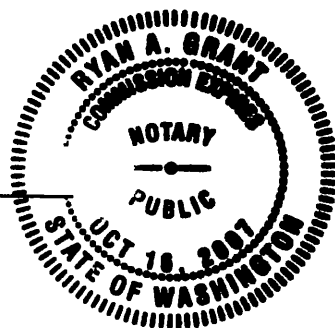
*[Signature]*  
WILLIAMSON, CORPORATE OFFICER

STATE OF Washington )  
 ) ss.  
\_\_\_\_ County of King )

The foregoing instrument was acknowledged before me on this 10<sup>th</sup> day of January, 2004, by Wickie Garrison

My Commission expires: Oct. 16, 2007  
Witness my hand and official seal.

Yuan A. Gunt  
NOTARY PUBLIC



**WHEN RECORDED MAIL TO:  
WASHINGTON MUTUAL BANK  
CONSUMER LOAN RECORDS CENTER  
ATTN: CLRVLTTX  
1170 SILBER ROAD  
HOUSTON, TEXAS 77055 711/1117**

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