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THIS AGREEMENT, Made and entered into this 24th day of March, 2005
by and between SOFCU COMMUNITY CREDIT UNION, HIGHLAND BRANCH FKA HIGHLAND COMMUNITY**
hereinafter called the first party, and SOFCU COMMUNITY CREDIT UNION, HIGHLAND BRANCH
hereinafter called the second party; WITNESSETH:

On or about July 28, 2003, DOLPH P. BOWLBY AND SHERRY G. BOWLBY
being the owner of the following described property in Klamath County, Oregon, to-wit:

Lot 11 in Block 8 of TRACT 1264, FOURTH ADDITION TO NORTH HILLS,
according to the official plat thereof on file in the office of the
County Clerk of Klamath County, Oregon.

Account No.: 3809-035AA-07500-000 Key No.: 871977

**FEDERAL CREDIT UNION

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

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 \$ 50,000.00, which lien was:
—Recorded on August 1, 2003 in the Microfilm Records of Klamath County,
Oregon, in book/XXXXXXXXXX No. M03 at page 54928 and/or as fee/file/instrument/microfilm/reception No. XXXXXXXXXXXXXXX (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 and in the office of the _____ Dept. of Motor Vehicles where it bears file No. _____ of _____ County, Oregon, where it bears fee/file/instrument/microfilm/reception No. _____ (indicate which).

Reference to the document so recorded or filed hereby is 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 \$ 169,000.00 to the present owner of the property, with interest thereon at a rate not exceeding 4.75% 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 10 yr days years from its date.

— OVER —

SUBORDINATION AGREEMENT

SOFCU COMMUNITY CREDIT UNION,
HIGHLAND BRANCH, FKA HIGHLAND
COMMUNITY FEDERAL CREDIT UNION

To

SOFCU COMMUNITY CREDIT UNION
HIGHLAND BRANCH

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

SOFCU COMMUNITY CREDIT UNION
3737 Shasta Way
Klamath Falls, OR 97603

State of Oregon, County of Klamath
Recorded 03/29/2005 11:08 a m
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Linda Smith, County Clerk
Fee \$ 26.00 # of Pgs 2

By _____, Deputy

To induce the second party to make the loan last mentioned, the first party heretofore 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, first party's personal representatives (or successors) and assigns, hereby covenants, consents and agrees to and with the second party, second party's personal representatives (or 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 second party's lien in all respects shall be first, prior and superior to that of the first party, provided always, however, that if second party's lien is not duly filed or recorded or an appropriate financing statement thereon 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.

SOFUCU COMMUNITY CREDIT UNION, HIGHLAND BRANCH
FKA HIGHLAND COMMUNITY FEDERAL CREDIT UNION

BY: Nancy B. Nealy
NANCY B. NEALY, VP

STATE OF OREGON, County of Klamath) ss.

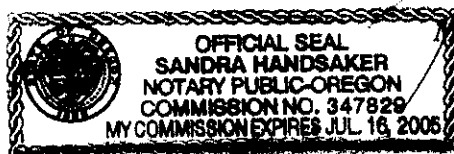
This instrument was acknowledged before me on _____, 19____,

by _____

This instrument was acknowledged before me on March 24, XX 2005

by NANCY B. NEALY

as VP
of SOFUCU COMMUNITY CREDIT UNION, HIGHLAND BRANCH, FKA HIGHLAND COMMUNITY CREDIT UNION



Sandra Handsaker
Notary Public for Oregon
My commission expires 7/16/05