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Vol M05 Page 50783

State of Oregon, County of Klamath
Recorded 07/05/05 9:36a m
Vol M05 Pg 50783-85
Linda Smith, County Clerk
Fee \$ 3/00 # of Pgs 3

WHEN RECORDED MAIL TO:
WASHINGTON MUTUAL BANK
CONSUMER LOAN RECORDS CENTER
ATTN: CLRVLTTX
1170 SILBER ROAD
HOUSTON, TEXAS 77055
29492414

LPB 35

SUBORDINATION AGREEMENT

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

The undersigned subordinator and owner agrees as follows:

1. Washington Mutual Bank FA referred to herein as "subordinator," is the owner and holder of a mortgage dated February 20, 2004 which is recorded in page 13459 under Volume M04, Microfilm records of Klamath County, Oregon. In the sum of \$25,000.00.
2. JP Morgan Chase Bank referred to herein as "lender," is the owner and holder of a mortgage dated June 22, 2005 executed by John A. Clark and Darla R. Clark, (which is recorded under Auditor's File No. M05-50767, records of Klamath County) (which is to be recorded concurrently herewith). In the sum of \$161,000.00.
3. John A. Clark and Darla R. Clark referred to herein as "owner," is the owner of all the real property described in the mortgage identified above in Paragraph 2.
4. In consideration of benefits to "subordinator" from "owner", receipt and sufficiency of which is hereby acknowledged, and to induce "lender" to advance funds under its mortgage and all agreements in connection therewith, the "subordinator" does hereby unconditionally subordinate the lien of his mortgage identified in Paragraph 1 above to the lien of "lender's" mortgage, identified in Paragraph 2 above, and all advances or charges made or accruing thereunder, ~~including any extension or renewal thereof.~~
5. "Subordinator" acknowledges that, prior to the execution hereof, he has had the opportunity to examine the terms of "lender's" mortgage, note and agreements relating thereto, consents to and approves same, and recognizes that "lender" has no obligation to "subordinator" to advance any funds under its mortgage or see to the application of "lender's" mortgage funds, and any application or use of such funds for purposes other than those provided for in such mortgage, note or agreements shall not defeat the subordination herein made in whole or in part.
6. It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in Paragraph 2 without this agreement.

LPB-35 2/97
Page1 of 2

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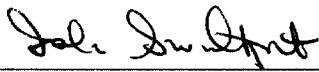
50784

7. This agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the mortgage first above mention to the lien or charge of the mortgage in favor of "lender" above referred to and shall supersede and cancel any prior agreements as to such, or any, 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 a mortgage or mortgages to be thereafter executed.
8. The heirs, administrators, assigns and successors in interest of the "subordinator" shall be bound by this agreement. Where the word "mortgage" appears herein it shall be considered as "deed of trust," and gender and number of pronouns considered to conform to undersigned.

Executed this 7 day of June, 2005.

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

WASHINGTON MUTUAL BANK

By 
Authorized Agent **Isla Swarthout, Designated Signer**
Washington Mutual Bank, FA, Successor
by merger to Washington Mutual Bank

State of _____)
)ss.
County of _____)

I certify that I know or have satisfactory evidence that _____
(is/are) the person(s) who appeared before me, and said person(s) acknowledged that (he/she/they) signed this instrument, on oath stated that (he/she/they) were authorized to execute the instrument and acknowledged it as the Authorized Agent of HAPO Community Credit Union to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in this instrument.

Dated: _____

Notary Public in and for the State of _____
Washington Residing at _____
My appointment expires: _____

ACKNOWLEDGMENT

State of WASHINGTON)
) §
County of SNOHOMISH)

I certify that I know or have satisfactory evidence that Isla Swarthout is the person who appeared before me, and said person acknowledged that **she** signed this instrument on oath stated that **she** was authorized to execute the instrument and acknowledge it as the **Designated Signer** of **Washington Mutual Bank, FA, Successor by merger to Washington Mutual Bank** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: Tuesday, June 07, 2005



Crystal L. Calvo

Title: Notary Public
My Appointment expires: Oct 15, 2008

