

ATC 61838 AF

SUBORDINATION AGREEMENT

THIS AGREEMENT made this 29th day of July, 2005, in favor of ACTION MORTGAGE it's successors and/or assigns, with an office at 510 WEST RIVERSIDE, SPOKANE, WA 99201 ("Lender") by KeyBank National Association, having a place of business at 4910 Tiedeman Road, Ste B, Cleveland, Ohio 44144. ("Subordinate Lender")

WITNESSETH:

WHEREAS, Subordinate Lender is the owner and holder of the following Mortgage/Deed of Trust covering the property located at 135 RIDGE CREST DR, KLAMATH FALLS, OR 97601 and as more fully described therein ("Mortgaged Property"), and of the note or bond which said Mortgage/Deed of Trust secures ("Subordinate Lender Note"):

a) Mortgage/Deed of Trust dated October 14, 1997, made by: JAMES J MIELOSZYK and KARYN M MIELOSZYK to KeyBank National Association to secure the sum of \$78,000.00 recorded on Real Property in the KLAMATH County Recorder/Clerk's Office in OR Book/Liber M97 Page 33820. ("Subordinate Lender Mortgage").

WHEREAS, on condition that the Subordinate Lender Mortgage/Deed of Trust be subordinated in the manner hereinafter appearing, Lender has or is about to accept a mortgage covering the Mortgaged Property, made by JIM MIELOSZYK and KARYN MIELOSZYK ("Borrower") to Lender to secure an amount not to exceed ( \$190,000.00 ) and interest, said mortgage being hereinafter collectively referred to as the "Lender Mortgage".

NOW, THEREFORE, in consideration of One Dollar (1.00) and other good and valuable consideration and to induce Lender to accept the Lender Mortgage the receipt and sufficiency of said consideration being hereby acknowledged, Subordinate Lender does hereby covenant, consent and agree with Lender as follows:

The Subordinate Lender Mortgage/Deed of Trust shall be and is hereby made subject and subordinate in lien to the lien of the Lender Mortgage in the principal amount not to exceed \$190,000.00 and interest together with any and all advances heretofore or hereinafter made and pursuant to the Lender Mortgage and together with any and all renewals or extensions of the Lender Mortgage or the note secured thereby, ("Lender Note").

THIS AGREEMENT may not be changed or terminated orally and shall be binding upon and inure to the benefit of the respective heirs, legal representatives, successors and assigns, of the parties hereto.

IN WITNESS WHEREOF, Subordinate Lender hereto has duly executed this agreement the day and year first above written.

KeyBank National Association

X Jeffrey P. Kendro  
JEFFREY P. KENDRO, AVP

X Anita J. Gadd  
ANITA J. GADD, WITNESS  
X Nancy L. King  
NANCY L. KING, NOTARY

STATE OF OHIO       )  
                              )  
COUNTY OF STARK    )

Before me, a Notary Public in and for the said County and State, personally appeared JEFFREY P. KENDRO, AVP of KEYBANK NATIONAL ASSOCIATION, the corporation which executed the foregoing instrument who acknowledged that they did sign the foregoing instrument for and on behalf of said corporation, being thereunto duly authorized, and that the same is the free act and deed individually and as such officers and free act of deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Canton, Ohio, this the 29th day of July, 2005.

Nancy L. King  
Notary Public  
My commission expires: NANCY L. KING  
Notary Public, State of Ohio  
My Commission Expires Sept. 22, 2007

THIS INSTRUMENT PREPARED BY: KeyBank National Association

When recorded mail to:  
KeyBank National Association  
P.O.Box 16430  
Boise, ID 83715

000096372000494058  
052061636240

MODIFICATION OF HOME EQUITY AGREEMENT AND MORTGAGE/DEED  
OF TRUST MODIFICATION AGREEMENT

Account No.000096372000494058

This Modification of Home Equity Agreement and Mortgage/Deed of Trust is executed and delivered by the customer(s) signing below ("you") to Key Bank National Association ("Bank").

This Modification is to the Home Equity Agreement ("Agreement") you gave Bank dated, in September 29, 1997 the principal amount of \$78,000.00 ("Original Credit Line"). The Agreement is secured by a Mortgage/Deed of Trust dated September 29, 1997, recorded in Book/Liber M97 , Page 33820 in the records of Recorder of KLAMATH County, OR ("Security Instrument"), which Security Instrument was originally given as security for the Original Credit Line.

The Agreement is modified to decrease the Original Credit Line to a principal line amount of \$73,000.00 . The parties agree that the decrease is to both (i) the principal sum of the indebtedness secured by the Security Instrument and (ii) the maximum amount of obligatory loan advances provided for in the Agreement. All other terms and conditions of the Agreement will remain in full force and effect and shall apply to the additional principal amount, if applicable.

This Modification does not constitute a waiver or novation of Agreement, Security Instrument or their terms and shall not adversely affect the validity or lien priority of the Mortgage or any other mortgage or other instrument executed and delivered as security for the indebtedness now evidenced by this Modification, which mortgage liens and/or security interests are hereby agreed to be continued in full force and effect.

Signed and acknowledged in the presence of: the undersigned notary

X *James J Mieloszyk*  
JAMES J MIELOSZYK

X *Karyn M. Mieloszyk*  
KARYN M MIELOSZYK

\_\_\_\_\_  
(Witness Signature)

\_\_\_\_\_  
(Witness Signature)

STATE OF Oregon  
COUNTY OF Klamath SS:

Before me, A Notary Public in and from said County and State, Karyn M Mieloszyk personally appeared the above named James J. Mieloszyk and Karyn M Mieloszyk who acknowledged that they/he/she did sign the foregoing instrument, and that the same is their/his/her free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal, this 4 day of August, 05.

This instrument was prepared by: KeyBank National Association

Adrien Fleeck  
Commission Expires:  
12-3-06



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