

MT 82658-LW

2008-014993

Klamath County, Oregon

SUBORDINATION AGREEMENT



00055775200800149930030033

Danny & Cynthia Allen

11/05/2008 11:28:03 AM

Fee: \$31.00

To

U. S. Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410
After recording return to:

Danny & Cynthia Allen

THIS AGREEMENT made and entered into this 31 day of October, 2008, by and between Danny R. & Cynthia L. Allen, hereinafter called the first party, and Secretary of Housing and Urban Development, hereinafter called the second party, WITNESSETH:

On or about September 28, 2006, Kenneth M. Clegg, being the owner of the following described property in Klamath County, Oregon, to-wit:

Legal Description:
Lengthy, see attached

Address known to be:
4460 Bisbee St
Klamath Falls, OR 97603

executed and delivered to the first party a certain **trust deed** (herein called the first party's lien) on the property, to secure the sum of \$ 130000 which lien was recorded on October 4, 2006 in the Records of Klamath County, Oregon, as Volume 2006, Page 019984.

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 \$255,000 to the present owner of the property, with interest thereon at a rate not exceeding 15.49 %. This loan is to be secured by the present owner's **mortgage** (hereinafter called the second party's lien) upon the property and is to be repaid no later than November 1, 2087.

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


31amt

if the second party's lien is not duly filed or recorded, or an appropriate financing statement with respect thereto duly filed within 75 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.



Danny R. Allen



Cynthia L. Allen

STATE OF OREGON, County of Klamath ss.

This instrument was acknowledged before me on October 31, 2008, by

Allen
Danny R. & Cynthia L. Allen



Notary Public for Oregon

My Commission expires: 11/20/2011

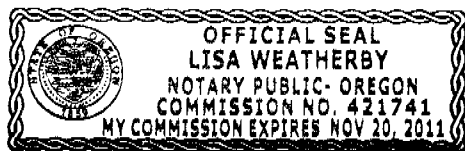


EXHIBIT "A"
LEGAL DESCRIPTION

The South 1/2 of Lot 8 in Block 3, SECOND ADDITION TO ALTAMONT ACRES, EXCEPTING THEREFROM the East 5 feet taken for the widening of Bisbee Street by Deed Volume 362, page 563, Deed Records of Klamath County, Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.