

After Recording Return To:

Oregon Affordable Housing Assistance Corp.  
Oregon Homeownership Stabilization Initiative  
725 Summer Street NE, Suite B  
Salem, OR 97301-1266

Space above this line used for recorders use

**SUBORDINATION AGREEMENT**

THIS SUBORDINATION AGREEMENT ("Agreement") is made and entered into this 29th day of October 2013, by and between **OREGON AFFORDABLE HOUSING ASSISTANCE CORPORATION** with an address of 725 Summer Street NE, Suite B, Salem OR 97301-1266, hereinafter called the "First Party" and New Penn Financial, LLC., with an address of 6650SW Redwood lane Suite 160, Portland, OR 97224 hereinafter called the "Second Party",

WITNESSETH:

On or about April 26, 2011, Scott D. McKay, being the owner (referred to hereinafter as the "Owner" or "Borrower") of property located in Klamath County, Oregon and described on Exhibit A hereto (the "Premises"), executed and delivered to the First Party a certain SUBORDINATE MORTGAGE (State whether mortgage, trust deed, security agreement) (herein called the "First Party Lien") on the Premises, to secure the sum of \$20,000.00, which lien was recorded on October 14, 2011, in the Records of Klamath County, Oregon as Document No. 2011-011470.

The First Party is the legal and beneficial owner of the First Party Lien and the debt secured thereby which is evidenced by one or more promissory notes made by the Borrower in favor of the First Party.

Borrower wishes to obtain a loan from Second Party for the purposes of refinancing Borrower's current first mortgage loan on the Premises securing an estimated unpaid principal balance of \$201,328.00, in favor of MERS AS NOMINEE FOR COUNTRYWIDE BANK P.S.B. recorded on 6-3-08 in the Records of Klamath County, Oregon, as Document No. 2008-008110 which lien and the underlying debt shall be terminated upon such refinancing.

The First Party and the Second Party agree that the principal amount of such refinancing shall not exceed \$206,700.00, with interest thereon at a rate not exceeding 4.875% per annum, and a maturity date of 360 Months or 30 Years, and shall be secured by a certain

DEED OF TRUST

(State nature of lien to be given, whether mortgage, trust deed, contract, or otherwise)

(herein called the "Second Party Lien") on the Premises, recorded on \_\_\_\_\_ in the Records of Klamath County, Oregon, as Document No. \_\_\_\_\_.

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 Second Party's Lien.

NOW, THEREFORE, for value received, and for the purpose of inducing the Second Party to make the loan aforesaid the First Party hereby agrees that the First Party's Lien is and shall be expressly subordinate and junior to the Second Party's Lien.

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 herein above expressly set forth.

In construing this 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 have 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.

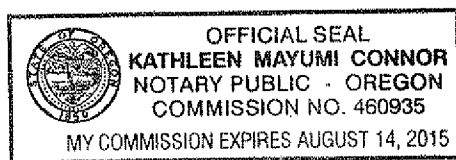
OREGON AFFORDABLE HOUSING ASSISTANCE CORPORATION

*Diana Koppes*  
DIANA KOPPES, PRESIDENT

STATE OF OREGON

COUNTY OF *Marion*

This Instrument was acknowledged before me this *4<sup>th</sup>* day of *November*, 20 *13*, by DIANA KOPPES, AS PRESIDENT of OREGON AFFORDABLE HOUSING ASSISTANCE CORPORATION.



*Kathleen Connor*  
Notary Public - State of Oregon

Escrow File No.: 1344918

**EXHIBIT "A"**

**THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF KLAMATH, STATE OF Oregon, AND IS DESCRIBED AS FOLLOWS:**

**LOT 9 IN BLOCK 5 OF SECOND ADDITION TO WINEMA GARDENS, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.**

**Being the same premises conveyed unto SCOTT D. MCKAY, by virtue of Deed from HEIDI ZURBRUGG dated May 23, 2008, recorded June 3, 2008 in Insrtument number 2008008109, Klamath County, OR.**

**Parcel ID: 3909-001BA-05800-000**