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VOL 110 PAGE 7948

SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, That

WHEREAS, JAYE S. FLAGG and MARIE R. FLAGG, husband and wife, and LYNN DON W. YOUNG and MARIAN D. YOUNG, husband and wife, hereinafter called "FLAGG and YOUNG", are owners and holders of that certain promissory note, dated February 24, 1964, made by J. K. O'NEILL and PEGGY ANN O'NEILL, husband and wife, hereinafter called "O'NEILL", secured by a real property mortgage dated February 24, 1964, and recorded June 9, 1964, in Vol. 223, page 576, Mortgage Records of Klamath County, Oregon, partially assigned by Partial Assignment of Mortgage dated June 25, 1964, and recorded June 29, 1964, in Vol. 224, page 215, Mortgage Records of Klamath County, Oregon, which was partially released and satisfied by a partial release and satisfaction of mortgage dated April 27, 1966, and recorded on June 8, 1966, in Vol. M-66, page 6021 Mortgage Records of Klamath County, Oregon, extended and modified by an Extension and Modification of Mortgage Agreement dated April 27, 1966, and recorded on June 8, 1966, in Vol. M-66, page 6023, Mortgage Records of Klamath County, Oregon, and which was partially released and satisfied by a Partial Release and Satisfaction of Mortgage dated August 19, 1970, and recorded in Vol. M-70, page 7946 ^{September} Mortgage Records of Klamath County, Oregon on ~~August~~ September 9, 1970; and

WHEREAS, said mortgage is now a lien for the security of TWENTY-FOUR THOUSAND EIGHT HUNDRED NINETY-NINE and 58/100ths (\$24,899.58) DOLLARS on the following described real property, to-wit:

Government Lot 7 of Section 14, Township 39 South, Range 10 E.W.M., Klamath County, Oregon, EXCEPTING that portion in Vol. 106, page 17, more particularly described as follows: Beginning at a point on the North boundary line of said Lot 7, from which the $\frac{1}{4}$ section corner common to Sections 14 and 15, Township 39 South, Range 10 E.W.M., Klamath County, Oregon, bears N 34° 44' W 1607.5 feet; thence South 513.5 feet; thence West 341.7 feet; thence N. 33° 43' W 54.6 feet; thence N. 34° 37' E. 204.4 feet; thence N. 30° 21' E 347.5 feet; thence East 80.4 feet to the point of beginning; ALSO, Government Lot 2 of Section 15, Twp. 39 S., R. 10 E.W.M.,

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Klamath County, Oregon, EXCEPTING that portion conveyed to Peter Boor, and more particularly described as follows: Beginning at a point on the bank of Lost River, said point being West 1054 feet from the NE corner of Section 22, Twp. 39 S., R. 10 E.W.M.; thence East 366 feet to the right of way of the U.S.R.S. ditch; thence following said right of way N. 54° 45' E. 200 feet; thence N. 64° 30' E. 452 feet; thence N. 45° 45' E. 400 feet; thence N. 57° E. 275 feet; thence N. 48° W 138 feet to Lost River; thence following Lost River down stream to the point of beginning; ALSO the SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 22, W $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 23, SW $\frac{1}{4}$ of Section 25, S $\frac{1}{2}$ of Section 26, E $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 27, all of Sections 35, and 36, all in Twp. 39 S., R. 10 E.W.M., Klamath County, Oregon, and the NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 1, Government Lots 1 and 4, SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 2, NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 11, N $\frac{1}{2}$ of Section 12, all in Twp. 40 South, Range 10 E.W.M., Klamath County, Oregon.

and;

WHEREAS, said mortgage is secondary to that certain mortgage lien dated July 15, 1959, wherein Glenn Dehlinger and Dorothy L. Dehlinger, husband and wife, hereinafter called "DEHLINGER", are mortgagees, recorded on August 10, 1959, in Vol. 192, page 23 Mortgage Records of Klamath County, Oregon, and amended on August 18, 1959, which amendment was recorded September 8, 1959, in Vol. 192, page 393, Mortgage Records of Klamath County, Oregon, and assumed by O'Neill; and

WHEREAS, O'Neill obtained a loan commitment from Federal Land Bank of Spokane for a loan of \$145,000.00 on the condition that the mortgage lien of Flagg and Young be secondary to the Federal Land Bank of Spokane mortgage lien; and,

WHEREAS, said Flagg and Young desire that J. K. O'Neill and Peggy Ann O'Neill, husband and wife, complete said loan from Federal Land Bank of Spokane,

NOW, THEREFORE, in consideration of O'Neill procuring the aforesaid loan from Federal Land Bank of Spokane and applying enough of the proceeds therefrom to pay and satisfy the mortgage lien of Dehlinger, Jaye S. Flagg and Marie R. Flagg, husband and wife, and Lynndon W. Young and Maarian D. Young, husband and wife, hereby declare that their mortgage lien above described be, and the same is hereby made, subordinate to the lien of any mortgage made by Federal

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Land Bank of Spokane to J. K. O'Neill and Peggy Ann O'Neill, husband and wife, in a principal sum not to exceed \$145,000.00.

WITNESS our hands and seals this 19 day of August, 1970.

Jaye S. Flagg (SEAL)
Jaye S. Flagg

Marie R. Flagg (SEAL)
Marie R. Flagg

Lynndon W. Young (SEAL)
Lynndon W. Young

Marian D. Young (SEAL)
Marian D. Young

STATE OF OREGON }
COUNTY OF Marion } ss. August 19th, 1970

Personally appeared the above named JAYE S. FLAGG and MARIE R. FLAGG and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:

James L. Young
Notary Public for Oregon

My Commission expires: 10-29-70

STATE OF OREGON }
COUNTY OF G. Lewis } ss. August 24th, 1970

Personally appeared the above named LYNNDON W. YOUNG and MARIAN D. YOUNG and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:

David L. Lewis
Notary Public for Oregon

My Commission expires: 3/3/73

NOTARY PUBLIC for the State of Montana
Residing at Glacier, Montana
My Commission Expires March 3, 1973

Subordination Agreement
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STATE OF OREGON; COUNTY OF KLAMATH; ss. 37
Filed for record at request of Klamath County Title Co.
this 9th day of September A. D. 19 70 at 3:05 o'clock P.M., and duly recorded in
Vol. M-700, of Mortgages on Page 7948.

FEE \$4.50

WM. D. MILNE, County Clerk
Charles J. Crabtree - Deputy

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