

A-24166
WHEN RECORDED MAIL TO:
First National Bank of Oregon
Real Estate Loan Div. T/8
P. O. Box 3131
Portland, Oregon 97208
Att: Elsie A. Atkins
Assistant Cashier

87724

Vol. 74 Page 3923

Space above this line for Recorder's Use

DECLARATION OF SUBORDINATION

THIS DECLARATION made this 28th day of March, 1974 by and between
KLAMATH CONSTRUCTION, INC.,

hereinafter referred to as "Lessor" and WILCOX REALTY

hereinafter referred to as "Lessee", is made with reference to the following facts:

RECITALS:

A. The undersigned are "Lessor" and "Lessee" under that certain lease dated
February 27, 1974, executed by KLAMATH CONSTRUCTION, INC. as Lessor, and
WILCOX REALTY as Lessee,
covering the property described as follows:

Lots 69, 70, 71, 72, 73 and 74 of BALSIGER TRACTS, according to the official plat thereof
on file in the office of the County Clerk, Klamath County, Oregon.

B. Lessors, as owners of the land above described, have executed, or are about to
execute, a note in the original principal sum of \$225,000.00 dated 19 74, in favor of ROGER R. POST & COMPANY, a California corporation
and have executed, or are about to execute, a deed of trust of even date securing said
note, and also an Assignment of Rentals and Income and an Assignment of Lessor's Interest
in Lease, as additional security for the note.

C. It is a condition precedent to the obtaining of said loan that said Deed of Trust
and additional security instruments constitute a lien or charge on said land, prior and
superior to the lease hereinbefore referred to and the leasehold estate created thereby.

D. The undersigned are willing that the lien or charge of the Deed of Trust securing the Note for \$ 225,000.00 in favor of ROGER R. POST & COMPANY together with any modifications, renewals or extensions thereof, and any additional sums, with interest thereon, which may hereafter be borrowed from ROGER R. POST & COMPANY, its successors or assigns, by Lessors, or any successor in interest of Lessor, shall constitute a lien or charge on said land, prior and superior to the lease above referred to and to the leasehold estate created thereby, ~~provided, however, that so long as Tenant is not in default under the terms of the lease, Tenant's possession of the premises and right of use shall be quiet and peaceful and shall not be disturbed by the holder of the Deed of Trust and Note secured thereby, or by the Trustee under said Deed of Trust.~~

NOW THEREFORE, for a valuable consideration, receipt of which is hereby acknowledged, and in order to induce said ROGER R. POST & COMPANY or its successors or assigns, to make the loan for \$ 225,000.00, and to make any additional loans and/or advances, it is hereby declared, understood and agreed as follows:

(1) That the deed of trust securing said note in favor of ROGER R. POST & COMPANY together with assignments given as additional security, shall be and remain at all times a lien or charge on said land, prior and superior to the lease hereinbefore referred to and to the leasehold estate created thereby and such lease and leasehold estate are hereby made subject and subordinate to such deed of trust.

(2) That each and every additional loan or advance made under the provisions of said deed of trust and each and every other deed of trust securing any additional loan or advances from ROGER R. POST & COMPANY, or its successors or assigns, and as any such deed of trust is affected or modified by a consolidation agreement shall be and remain at all times a lien or charge on said land, prior and superior to the lease hereinbefore referred to and to the leasehold estate created thereby and such lease and leasehold estate are hereby made subordinate to each such deed of trust.

The undersigned declares and acknowledges that it hereby intentionally waives, relinquishes and subordinates the priority and superiority of the lease above referred to and the leasehold estate created thereby, in favor of the lien or charge upon said land of the afore-described deed of trust and every other deed of trust securing any additional loan or advances from ROGER R. POST & COMPANY, or its successors and assigns, to which the aforescribed lease and leasehold estate are hereby made subject and subordinate as hereinbefore provided, and that it understands that in reliance upon, and in consideration of this waiver, relinquishment and subordination, specified loans and advances will be made and that as part and parcel thereof specific monetary and other obligations will be entered into by third parties which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination, ~~provided, however, that so long as Tenant is not in default under the terms of the lease, Tenant's possession of the premises and right of use shall be quiet and peaceful and shall not be disturbed by the holder of the deed of trust and note secured thereby, or by the Trustee under said deed of trust.~~

Without limiting the generality of the foregoing, the undersigned subordinates its right, title and interests under said lease to the interests of the holder of said deed of trust in any award of condemnation or eminent domain to the extent necessary to pay in full any and all sums secured by said deed of trust, and does assign and transfer to the holder of said deed of trust the right and privilege to receive undersigned's interest in such award of condemnation or eminent domain to the extent necessary to pay in full any and all sums secured by the deed of trust above described, and authorizes the holder of the deed of trust to apply any funds so received in satisfaction of any sums secured by said deed of trust above described.

The undersigned waives presentment, demand, protest, and notice and agrees that the holder of the deed of trust, without notice to or consent of the undersigned, upon such terms as the holder of the deed of trust may deem advisable, without releasing or discharging the undersigned from this Subordination Agreement or affecting the lien or priority of the deed of trust above described, may:

- a) extend, in whole or in part, by renewal or otherwise, the time of payment or performance of any obligation secured by said deed of trust;
- b) release, surrender, exchange, or modify any obligation secured by said deed of trust, or any security for such obligation; and/or

3925

c) settle or compromise any claim with respect to any obligation secured by said deed of trust or against any person who has given security for any such obligation.

The undersigned ratifies any such extension, renewal, release, surrender, exchange, modification, settlement, or compromise and waives all defenses, counterclaims, or offsets which it might have by reason thereof.

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first above written.

LESSOR

LESSEE

Fred W. Veiga

STATE OF Oregon)
COUNTY OF Klamath) ss.

On March 28, 1974, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Wayne A. Wilcox

known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

Alma Wilcox
Notary Public for Oregon
My commission expires: April 8, 1976

STATE OF Oregon)
COUNTY OF Klamath) ss.

On March 28, 1974, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Wayne A. Wilcox, known to me to be the President, and Fred W. Veiga, known to me to be the Secretary of the corporation that executed the within Instrument,

known to me to be the persons who executed the within Instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the within Instrument pursuant to its by-laws or a resolution of its Board of Directors.

WITNESS my hand and official seal.

Alma Wilcox
Notary Public for Oregon
My commission expires: April 8, 1976

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STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of KLAMATH COUNTY TITLE CO
this 29th day of MARCH 1974 at 12:12 o'clock PM., and
duly recorded in Vol. M 74, of MORTGAGES on Page 3923
FEE \$ 8.00

Wm D. MILNE, County Clerk

By Hazel Drayton

3923