

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS AGREEMENT, made this 15 day of December, 1977, by Edward Lewis Davis, owner of a fee interest in the land hereinafter described and hereinafter referred to as "Owner", and Carter-Jones Collection Service, Inc., present owner and holder of the judgment hereinafter described and hereinafter referred to as "Creditor";

WITNESSETH, THAT WHEREAS, a judgment was entered October 30, 1974, in Vol. 27 of the Judgment Lien Docket of Klamath County, Oregon, at page 323, against Edward L. Davis and Naomi Davis in favor of said creditor, which then became a lien against:

A fee interest in Lots 1 through 10, inclusive, in Block 72 of Bowne Addition to Bonanza, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, and

WHEREAS, Owner has executed a mortgage and note in the sum of \$4,000.00 dated December 12, 1977 in favor of L. Orth Sisemore, recorded December 12, 1977, in Mortgage Volume M77, page 24002, records of Klamath County, Oregon, hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein; and

WHEREAS, it is a condition precedent to obtaining said loan that said mortgage last above mentioned shall unconditionally be and remain at all time a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the judgment hereinabove mentioned; and

WHEREAS, lender is willing to make said loan provided the mortgage securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the said judgment and provided that Creditor will specifically and unconditionally subordinate the lien or charge of the judgment to the lien or charge of the mortgage in favor of lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender made such loan to Owner; and Creditor is willing that the mortgage securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the said judgment;

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said mortgage securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the mortgage first above mentioned.
- (2) That Lender would not make its loan above described without this subordination agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the judgment above mentioned to the lien or charge of the mortgage in favor of lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the mortgage hereinbefore specifically described and the said judgment, any prior agreement as to such subordination.

Creditor declares, agrees and acknowledges that

(a) He consents to and approves (i) all provisions of the note and mortgage in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;

(b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;

(c) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the said judgment in favor of the lien or charge upon said land of the mortgage in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and

(d) An endorsement has been placed upon said judgment that said judgment has by this instrument been subordinated to the lien or charge of the mortgage in favor of Lender above referred to.

NOTE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

Carter-Jones Collection Service, Inc.
Carter-Jones Collection Service, Inc.
Judgment Creditor
Attorneys, Inc.

Edward Lewis Davis
Edward Lewis Davis Owners

STATE OF OREGON)
County of Klamath) ss.

Personally appeared the above named Edward Lewis Davis this 15 day of December, 1977, and acknowledged the foregoing to be his voluntary act and deed.

Before me:

Lawrence J. Dwyer
Notary Public for Oregon
My Commission expires 11-9-79

STATE OF OREGON)
County of Klamath) ss.

DEC. 15, 1977

Personally appeared L. D. JONES, who being duly sworn, did say that he is the PRESIDENT of Carter-Jones Collection Service, Inc., a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:

Richard H. Marshall
Notary Public for Oregon
My Commission expires 2-16-77

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 19th day of DECEMBER A.D., 19 77 at 3:22 o'clock P.M., and duly recorded in Vol M77, of MORTGAGES on Page 24448.

FEE \$ 6.00

WM. D. MILNE, County Clerk

By *Samuel D. Deloch* Deputy