

THIS AGREEMENT, Made and entered into this 15 day of June, 1979, by and between CASS WINDSOR and MELBA WINDSOR, hereinafter called the first party, and KLAMATH FIRST FEDERAL SAVINGS & LOAN ASSOCIATION hereinafter called the second party;

W I T N E S S E T H:

On or about June 15, 1979, ROGER SCHOOLER and CHERYL SCHOOLER, being the owners of the following described property, hereinafter referred to as property #1, in Klamath County, Oregon, to-wit:

"A tract of land in the S-1/2 S-1/2 SE-1/4 SE-1/4 of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Beginning at a point North 1°14' West 30 feet and South 89° 26' West 150 feet from the Southeast corner of said Section 3; thence North 1° 14' West 225 feet to a point on the South line of the parcel described in Deed Volume M68, page 1419, Microfilm Records of Klamath County, Oregon; thence South 89° 26' West along said South line 418 feet to the Southwest corner thereof; thence North 1° 14' West 75 feet to the Northwest corner thereof; thence South 89° 26' West to the Easterly line of the K.I.D. Drain; thence Southeasterly along the Easterly line of said Drain to a point that is North 1° 14' West 30 feet from the South Section line of said Section 3 when measured at right angles thereto; thence North 89° 26' East to the point of beginning; EXCEPTING THEREFROM any portion of the herein described property lying within Hilyard Avenue."

executed and delivered to the first party their certain trust deed (herein called the first party's lien) on said property #1 to secure the sum of \$75,000, which lien was recorded on June 15 1979, in the Deed Records of Klamath County, Oregon in book 1179 at page 1422 thereof.

Reference to the document so recorded or filed hereby is made. The first party has never sold or assigned their said lien and at all times since the date thereof have been and now are the owners and holders thereof and the debt thereby secured.

The second party is about to loan the sum of \$140,000 to the present owners of a portion of property #1, hereinafter described as property #2, located in Klamath County, Oregon, to-wit:

"A tract of land situated in the S-1/2 S-1/2 SE-1/4 SE-1/4 of Section 3, T39S, R9EWM, Klamath County, Oregon, more particularly described as follows:

Beginning at a point N01°14'00"W 30 feet and S89°26'00"W 150 feet from the southeast corner of said Section 3; thence N01°14'00"W 225 feet to a point; thence S89°26'00"W 212 feet; thence S00°34'00"E 225 feet to the northerly line of Hilyard Avenue; thence N89°26'00"E 214.62 feet, more or less, to the point of beginning, containing 48,000 square feet."

Said loan is to be with interest thereon at a rate not exceeding 10.75 % per annum, said loan to be secured by the said present owners' trust deed (hereinafter called the second party's lien) upon property #2 and to be repaid within not more than 600 months from its date.

To induce the second party to make the loan last mentioned, the first party heretofore has agreed and consented to subordinate first party's said lien to the lien about to be taken by the second party as above set forth.

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C.W.
M.W.

NOW, THEREFORE, for value received and for the purpose of inducing the second party to make the loan aforesaid, the first party, for themselves, their personal representatives (or successors) and assigns, hereby covenant, consent and agree to and with the second party, their personal representative (or successors) and assigns, that the said first party's lien on said property #2 is and shall always be subject and subordinate to the lien about to be delivered to the second party, as aforesaid, and that second party's said lien on property #2 in all respects shall be first, prior and superior to that of the first party; ~~provided always, however, that if second party's said lien is not duly filed or recorded or an appropriate financing statement thereon duly filed within 20 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 said lien on property #1 except as hereinabove expressly set forth.

In construing this subordination agreement and where the context so requires, the singular includes the plural; the masculine includes the feminine and the neuter, and all grammatical changes shall be supplied to cause this agreement to apply to corporations as well as to individuals.

IT WITNESS WHEREOF, the undersigned has hereunto set their hand and seal the day and year above written.

Cass W. Windsor
FIRST PARTY

SECOND PARTY

Melba D. Windsor
FIRST PARTY

SECOND PARTY

STATE OF OREGON, County of Klamath) ss. June 15

1979

Personally appeared the above named Cass W. Windsor and Melba D. Windsor and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:

[Signature]
NOTARY PUBLIC FOR OREGON

My Commission Expires: 8-5-79

SUBORDINATION AGREEMENT

TO

After Recording Return To:

SHASTA BRANCH KLAMATH FIRST FEDERAL
SAVINGS & LOAN ASSOCIATION
S. 6th

STATE OF OREGON)
County of Klamath) ss.

I certify that the within instrument was received for record on the 27th day of June, 1979, at 10:54 o'clock A.M., and recorded in Book 179 on page 15148 or as file/reel number 69671, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne

Recording Officer

By Bernice A. Helton Deputy

Fee \$6.00