

78243

STEVENS-NESS LAW PUBLISHING CO., PORTLAND, OR. 97204

Vol. 779 Page 28930

14 day of December, 1979

THIS AGREEMENT Made and entered into this day of December, 1979, by and between KLAMATH FIRST FEDERAL SAVINGS & LOAN ASSOCIATION, a banking corporation, hereinafter called the first party, and DEPARTMENT OF VETERAN'S AFFAIRS, STATE OF OREGON, hereinafter called the second party; WITNESSETH:

On or about September 22, 1978, WILLIAM E. ZLOMKE and DARLENE ZLOMKE, husband and wife, being the owner of the following described property in Klamath County, Oregon, to-wit:

A portion of Lots 7 and 8, Block 40, HILLSIDE ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the Northwest corner of said Lot 8, Block 40; thence North 68 degrees 46' East 10 feet to the true point of beginning; thence North 68 degrees 46 minutes East 89.70 feet; thence Southeasterly 80 feet; thence Southwesterly 89.70 feet; thence North 21 degrees 14 minutes West 80.00 feet to the point of beginning.

executed and delivered to the first party his certain Mortgage (herein called the first party's lien) on said described property to secure the sum of \$ 9,000.00 principal, which lien was (State whether mortgage, trust deed, contract, security agreement or otherwise)

Recorded on September 27, 1978, in the Deed Records of Klamath County, Oregon, in book M-78 at page 21424 thereof or as file/reel number (indicate which);

Filed on 19 in the office of the (indicate which) of County, Oregon, where it bears the file/reel No. (indicate which) of

Created by a security agreement, notice of which was given by the filing on 19 of Secretary of State where it bears file No. of

a financing statement in the office of the Oregon Department of Motor Vehicles where it bears file No. of

and in the office of the (State Title) of County, Oregon, where it bears the file/reel No. (Indicate which).

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

The second party is about to loan the sum of \$ 50,000.00 to the present owner of the property above described, with interest thereon at a rate not exceeding 5.9 % per annum, said loan to be secured by the said present owner's Mortgage (hereinafter called the

second party's lien) upon said property and to be repaid within not more than 30 years from its date. (State nature of lien to be given, whether mortgage, trust deed, contract, security agreement or otherwise)

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.

NOW, THEREFORE, for value received and for the purpose of inducing the second party to make the loan aforesaid, the first party, for himself, his personal representatives (or successors) and assigns, hereby covenants, consents and agrees to and with the second party, his personal representatives (or successors) and assigns, that the said first party's lien on said described property 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 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 10 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, 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.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal; if the undersigned is a corporation, it has caused its corporate name to be signed and its corporate seal to be affixed hereunto by its officers duly authorized thereunto by order of its board of directors, all on this, the day and year first above written.

KLAMATH FIRST FEDERAL SAVINGS & LOAN ASSN.

BY: *[Signature]*

BY: *[Signature]*

STATE OF OREGON,

28931

County of _____

SS.

Personally appeared the above named _____, 19

and acknowledged the foregoing instrument to be

voluntary act and deed. Before me:

(SEAL)

My commission expires _____

Notary Public for Oregon.

STATE OF OREGON,

County of KLAMATH

SS.

December 14, 1979

Personally appeared VAN S. MOLLISON AND JAMES D. BOCCHI

who being duly sworn, did say that he is the President and Senior Vice President/Secretary respectively of KLAMATH FIRST FEDERAL SAVINGS & LOAN ASSOCIATION, a banking corporation 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 on behalf of said corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed. Before me:

(SEAL)

My commission expires 5-14-80

Notary Public for Oregon.

SUBORDINATION AGREEMENT

KLAMATH FIRST FEDERAL SAVINGS & LOAN ASSOCIATION

TO
DEPARTMENT OF VETERAN'S AFFAIRS

AFTER RECORDING RETURN TO
Department of Veteran's Affairs
1225 Ferry Street, S. E.
Salem, Oregon 97310

(DON'T USE THIS SPACE, RESERVED FOR RECORDING LABEL IN COUNTIES WHERE USED.)

STATE OF OREGON,

County of Klamath

SS.

I certify that the within instrument was received for record on the 17th day of December, 1979, at 3:20 o'clock P.M., and recorded in book 479 on page 23930 or as file/reel number 78243. Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne

Recording Officer.
By _____ Deputy.

Fee \$7.00