

94320

## SUBORDINATION AGREEMENT

THIS AGREEMENT, Made and entered into this 30 day of December, 1980, by and between J. BRUCE OWENS, E. MARIE OWENS, ROBERT E. CHEYNE AND HELEN J. CHEYNE, herein-after called First Parties, and KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation organized and existing under the laws of the United States, hereinafter called Second Party,

## W I T N E S S E T H:

On or about November 20, 1980, SHIELD CREST, INC., an Oregon corporation, being the owner of the following described property in Klamath County, Oregon, to-wit:

SE1/4 SW1/4 and the SW1/4SW1/4 of Section 5, Township 39 S.R. 10 E.W.M., SAVING AND EXCEPTING from the said SW1/4 SW1/4 that portion thereof conveyed by W. P. McMillan, et ux, to Jay J. Arant by deed dated June 6, 1910, recorded June 6, 1910, Deed Book 31 at page 98, Records of Klamath County, Oregon, as follows: All that portion of the SW1/4 SW1/4 of Section 5 lying Westerly of public road in Section 5, Township 39 South, Range 10 E.W.M.

That portion of the NE1/4 NE1/4 of Section 7 and of NW1/4 NW1/4 of Section 8 which lies Northeasterly of the following described line: Beginning at a point 7.5 feet West of the corner common to Sections 5, 6, 7 and 8, Twp. 39 S.R. 10 E.W.M.; thence South 26°39' E. 16.7 feet to a point on the line of said Secs. 7 and 8 which point is 15 feet South of the corner common to said Secs. 5, 6, 7, and 8; thence continuing South 26°39' E. 1344.3 feet, more or less, to a point on the South line of said NW1/4 NW1/4 of said Section 8 which is 665 feet, more or less, East from the SW corner of said NW1/4 NW1/4 of said Section 8.

The E1/2 NW1/4 and that portion of NE1/4 SW1/4 of Sec. 8, Twp. 39 S.R. 10 E.W.M., lying North of the Klamath Falls-Lakeview Highway, SAVING AND EXCEPTING from said portion of NE1/4 SW1/4 that portion thereof conveyed to School District No. 11 by a deed acknowledged February 5, 1910, recorded February 26, 1910, in Deed Book 28 at page 338, and NW1/4 NW1/4 of Section 8, Twp. 39 S. R. 10 E.W.M.

A portion of which above-described property is also described as Tract 1172 SHIELD CREST, a platted subdivision, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon,

executed and delivered to the first party herein its certain Mortgage (herein called first Parties' lien) on said described property to secure the sum of \$529,115.47, which Mortgage was recorded on December 1st, 1980, in Vol. M80, on page 24023, Klamath County, Oregon Mortgage Records, where it bears document/fee/title instrument/microfilm No. 93188.

## 1. SUBORDINATION AGREEMENT

00036

Reference to the document so recorded is hereby made. First Parties have 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 secured thereby.

Second Party is about to loan the sum of \$531,000.00 to the present owner of the property above described, with interest thereon at a rate not exceeding 14 1/2% per annum, said loan to be secured by the said present owner's Mortgage (hereinafter called Second Party's lien) upon said property and to be repaid within not more than sixty months from its date.

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

NOW, THEREFORE, for value received and for the purpose of inducing second party to make the loan aforesaid, first parties, each for themselves, their personal representatives (or successors) and assigns, hereby covenant, consent and agree to and with second party, its successors or assigns, that the said first parties' lien on said described property is and shall always be subject to and subordinate to the lien about to be delivered to 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.

It is expressly understood and agreed that nothing herein contained shall be construed to change, alter or impair the first parties' said lien, except as hereinabove expressly set forth.

IN WITNESS WHEREOF, first parties have hereunto set their hands and seals the day and year first herein written.

Robert E. L. Lynam  
Marie Owens  
J. Bruce Owens  
William J. Lynam

00037

STATE OF OREGON  
County of Klamath

December 30, 1980

Personally appeared the above named J. BRUCE OWENS, E. MARIE OWENS, ROBERT E. CHEYNE and HELEN J. CHEYNE, and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:

*James D. Rocchi*  
Notary Public for Oregon

My Commission expires: 10-25-82



STATE OF OREGON; COUNTY OF KLAMATH; ss.

Subscribed for record at request of Klamath County Title Co.

this 2nd day of January A. D. 19 81 at 10:54 o'clock A. M., and

only recorded in Vol. M84, of Mortgages on Page 35

EVELYN BIEHN

ACTING COUNTY CLERK

By *Bernatha A. Letoch*

Fee \$10.50

*Return to  
Klamath First Fed.  
540 Main  
City*

William P. Brandsness  
Attorney at Law  
421 Pine Street  
Klamath Falls, Ore.  
Phone 882-6616

3. SUBORDINATION AGREEMENT