

THIS AGREEMENT, Made and entered into this 23rd day of April, 1981, by and between Klamath Production Credit Association hereinafter called the first party, and State of Oregon, Department of Water Resources hereinafter called the second party; WITNESSETH:

On or about \_\_\_\_\_, 19\_\_\_\_, Williams Land Company and W-3 Livestock Company, both \_\_\_\_\_, being the owner of the following described property in Klamath County, Oregon, to-wit: Oregon Corporations

Parcel 1: The NE $\frac{1}{4}$  of Section 16, Township 39 South, Range 12 East of the Willamette Meridian, in the County of Klamath, State of Oregon

Parcel 2: The NW $\frac{1}{4}$  of Section 16, Township 39 South, Range 12 East of the Willamette Meridian, in the County of Klamath, State of Oregon

executed and delivered to the first party his certain Financing Statement

(herein called the first party's lien) on said described property to secure the sum of \$ \_\_\_\_\_, which lien was (State whether mortgage, trust deed, contract, security agreement or otherwise)

Recorded on MAY 19, 1978, in the \_\_\_\_\_ Records of Klamath County, Oregon, in book/reel/volume No. 48534 at page \_\_\_\_\_ thereof or as document/fee/file/instrument/microfilm No. \_\_\_\_\_ (indicate which);

Filed on \_\_\_\_\_, 19\_\_\_\_, in the office of the \_\_\_\_\_ of \_\_\_\_\_ County, Oregon, where it bears the document/fee/file/instrument/microfilm No. \_\_\_\_\_ (indicate which);

Created by a security agreement, notice of which was given by the filing on May 19, 1978, of a financing statement in the office of the Oregon Secretary of State and in the office of the Clerk Department of Motor Vehicles where it bears file No. \_\_\_\_\_ of Klamath County, Oregon, where it bears the document/fee/file/instrument/microfilm 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 \$205,000.00 to the present owner of the property above described, with interest thereon at a rate not exceeding 8.25 % per annum, said loan to be secured by the said present owner's Mortgage (State nature of lien to be given, whether mortgage, trust deed, contract, security agreement or otherwise) (hereinafter called the

second party's lien) upon said property and to be repaid within not more than 14 ~~xxx~~ years 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.

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 60 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 Production Credit Association

By [Signature]

President



7845

STATE OF OREGON,

} ss.

19.....

County of.....

Personally appeared the above named.....

and acknowledged the foregoing instrument to be..... voluntary act and deed. Before me:

Notary Public for Oregon.

(SEAL)

My commission expires.....

STATE OF OREGON,

} ss.

April 23, 1981

County of Klamath

Personally appeared Don W. Krider

who being duly sworn, did say that he is the President

of Klamath Production Credit Association  
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:

*Carol Chedore*

Notary Public for Oregon.

My commission expires 10-18-82

(SEAL)



**SUBORDINATION  
AGREEMENT**

q  
KLAMATH PRODUCTION CR.

TO

State of Oregon  
Dept. of Water Resources

AFTER RECORDING RETURN TO

Klamath Production Credit  
900 Klamath Ave.  
Klamath Falls, Ore., 97601

(DON'T USE THIS  
SPACE: RESERVED  
FOR RECORDING  
LABEL IN COUN.  
TIES WHERE  
USED.)

STATE OF OREGON,

} ss.

County of Klamath

I certify that the within instru-  
ment was received for record on the  
1st day of May, 1981,  
at 3:37 o'clock P.M., and recorded  
in book/reel/volume No. M81 on  
page 7844 or as document/fee/file/  
instrument/microfilm No. 99113.  
Record of Mtg.  
of said County.

Witness my hand and seal of  
County affixed.

Evelyn Biehn County Clerk

By *Heba G. Jang* Deputy

Fee \$7.00