

K-34706

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SUBORDINATION AGREEMENT

* * * * *

THIS AGREEMENT, made and entered into this 6th day of November, 1981, by and between, JESPERSEN-EDGEWOOD, INC., an Oregon corporation, hereinafter called the First Party and the STATE OF OREGON, acting by and through, the DEPARTMENT OF VETERAN'S AFFAIRS, hereinafter called the Second Party;

W I T N E S S E T H:

On or about the 2nd day of September, 1981, MICHAEL C. MATWICH and BRENDA S. MATWICH, husband and wife, being the owners of the following described real property:

E 1/2 NW 1/4 SE 1/4, SW 1/4 SE 1/4, SE 1/4 SW 1/4 of Section 18, Township 37 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

executed and delivered to the first party, that certain Timber Agreement, as more fully set out in Volume M-81, page 15616 and that certain Pasture Agreement, as more fully set out in Volume M-81, page 15618, and by this reference incorporated herein.

That first party also reserved to itself certain timber rights and pasture rights, as more fully set out in that certain Warranty Deed, recorded in Volume M-81, page 15614.

The first party has never sold or assigned its said timber and pasture rights and at all times since the date thereof has been and now is the owner and holder thereof.

The second party lent the sum of \$123,028.00 to the present owner of the property above described, with interest thereon at a rate not exceeding 7.2% per annum, said loan has been secured by the said present owners' Mortgage (hereinafter called the second party's lien) upon said property and to be repaid within not more than 40 years from its date, as more fully set out in that certain Mortgage, dated the 2nd day of September,

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1981 in Volume M-81, page 15622, and by this reference incorporated herein.

To induce the second party to make the loan last above mentioned, the first party heretofore has agreed and consented to subordinate first party's timber and pasture rights to the mortgage of Second Party.

NOW THEREFORE, for value received the first party, for itself and its assigns, subordinates said first party's timber and pasture rights pertaining to said property to the lien of 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 party's said timber and pasture rights, except as hereinabove expressly set forth.

IN WITNESS WHEREOF, the undersigned corporation has caused its corporate name to be signed and its corporate seal to be affixed hereunto by its officers duly authorized thereunto by

JESPERSEN-EDGEWOOD, INC.
an Oregon corporation

by: Kenneth L. Jespersen
President

by: Lawrence C. Jespersen
Secretary/Treasurer

STATE OF OREGON)
) ss.
County of Klamath)

Personally appeared KENNETH C. JESPERSEN and LAWRENCE C.

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JESPERSEN, JR., who each being duly sworn for themselves, depose and say that the former is the President and the latter is the Secretary/Treasurer of JESPERSEN-EDGEWOOD, INC., an Oregon corporation, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors; and that they acknowledged said instrument to be its voluntary act and deed.

BEFORE ME:

Susan Kay Way
 Susan Kay Way
 Notary Public for Oregon
 My commission expires 6/4/1985

NOTARY PUBLIC FOR OREGON
 My Commission Expires: _____

AFTER RECORDING RETURN TO:

BOIVIN & BOIVIN, P. C.
 Attorneys at Law
 110 North Sixth Street
 Klamath Falls, Oregon 97601

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Klamath County Title Co.
 this 6th day of November, A.D. 19 81 at 3:36 o'clock P. M., of
 duly recorded in Vol. 481, of Mortgages on Page 19442.

STATE OF O

By Evelyn Biehn, County Clerk

STATE OF O

Fee \$12.00

FILED

NOTARY

NOTARY