

MTC-18392
SUBORDINATION AND NONDISTURBANCE AGREEMENT

Vol. 1183 Page 18972

THIS AGREEMENT, made this 1st day of November, 1983, by and between IFG LEASING COMPANY, a Minnesota corporation, with principal offices at 511 Central Avenue, PO Box 5024, Great Falls, Montana 59403 ("IFG") and KELLY HAWKINS, BRUCE HAWKINS and RICHARD HAWKINS, of Bonanza, Oregon ("Tenant").

WITNESSETH:

WHEREAS, Tenant has entered into a real estate lease ("Lease") with MICHAEL B. JAGER and MARGARET H. JAGER as Landlords ("Landlord") with respect to the Real Property located at:

SEE EXHIBIT "A" ATTACHED HERETO AND
BY THIS REFERENCE INCORPORATED HEREIN ("Real Property")

WHEREAS, IFG has entered into an equipment lease, dated October 4, 1983, ("Lease"), with MICHAEL B. JAGER and as additional security for the performance of the Lease, IFG granted an interest in the Real Property under a certain mortgage ("Mortgage") in the original principal sum of THIRTY-FIVE THOUSAND FOUR HUNDRED SIXTY-FOUR AND NO/100THS DOLLARS (\$35,468.00); and

WHEREAS, the parties hereto desire to have the Lease made subject and subordinate to the Mortgage and thereupon to establish certain rights of quiet and peaceful possession for the benefit of Tenant, together with certain obligations for attornment on the part of Tenant, all in the manner hereinafter provided.

NOW, THEREFORE, in consideration of their respective covenants herein made, the parties hereto agree as follows:

1. Tenant, for itself, its successors and assigns, thereby covenants and agrees that the Lease shall be and the same is hereby made subordinate to the Mortgage and to any extensions, consolidations, modifications thereof and supplements thereto with the same force and effect as if the Mortgage had been executed, acknowledged, delivered and recorded prior to the execution, acknowledgment and delivery of the Lease. Tenant warrants that, as of the date hereof, Landlord is not in default under the Lease, and no event has occurred which, subject only to the passage of time, will become a Lease default.

NOV 3 1983 PM 12 37

2. Subject to the observance and performance by Tenant of all of the terms, covenants and conditions on the part of the Tenant to be observed and performed under the Lease, IFG, for itself, its successors and assigns and for any purchaser of the Real Property on foreclosure of Mortgage, hereby covenants and agrees with Tenant, its successors and assigns, that in the exercise and enforcement of any of the rights of IFG as beneficiary under the Mortgage, including foreclosure thereof, or as assignee under the Assignment, the right of peaceful and quiet possession of Tenant in and to the Real Property under the lease and of all of the other rights, powers and privileges of Tenant under the Lease shall not be disturbed or affected in any way thereby.

3. The term "Lease" as used herein shall be deemed to be the Lease as originally executed by Landlord and Tenant and as the same may be amended or modified by written agreements hereafter made, from time to time, by and between Landlord and Tenant and their respective successors and assigns.

4. All of the terms, covenants and conditions herein shall run with the land and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

5. The term "successor" as used herein shall be deemed to include, but shall not be limited to, the heirs, executors, administrators and other personal representatives of the parties hereto and of any other party hereafter acquiring the estate in the Real Property of any party hereto or any interest therein.

6. Should any litigation be commenced between the parties hereto concerning this Agreement, or the rights and duties of either in relation thereof, the party prevailing in such litigations shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for its attorney's fees in such litigation which shall be determined by the court in such litigation or in a separate action brought for that purpose.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

IFG LEASING COMPANY

By James M. Ross
Its Vice President

✓ Kelly Hawkins
KELLY HAWKINS

✓ Bruce Hawkins
BRUCE HAWKINS

✓ Richard Hawkins
RICHARD HAWKINS

18974

EXHIBIT "A"

Parcel I: The E 1/2 of the SW 1/4 and the S 1/2 of the SE 1/4 of Section 31, and the S 1/2 of the NW 1/4 of the SW 1/4 and the S 1/2 of the N 1/2 of the NW 1/4 of the SW 1/4 of Section 32, Township 37 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

Parcel II: That portion of the SW 1/4 NW 1/4; SE 1/4 NW 1/4; and the NW 1/4 SE 1/4, lying Northerly of the center thread of Wildhorse Creek; Government Lot 3 (NW 1/4 NW 1/4) of Section 6 in Township 38 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

RETURN:

I.F.G. LEASING

P.O. BOX 5050

GREAT FALLS, MT 59403

STATE OF OREGON,
County of Klamath)
Filed for record at request of

on this 3rd day of Nov. A.D. 19 83
at 2:37 o'clock P. M. and duly
recorded in Vol. M83 of Mortgages
Page 18972
EVELYN BIEHN, County Clerk
By Pam Smith Deputy
Fee 12.00