

THIS AGREEMENT, Made and entered into this 10th day of May, 1984, by and between SOUTH VALLEY STATE BANK hereinafter called the first party, and KLAMATH LAKE TEACHERS FEDERAL CREDIT UNION hereinafter called the second party; WITNESSETH: On or about March 12, 1984, PETER P. O'NEIL and ESTHER Y. O'NEIL, being the owner of the following described property in Klamath County, Oregon, to-wit: A portion of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ lying South and West of C-4-N Lateral in Section 31, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows: Beginning at the Southwest corner of the SW $\frac{1}{4}$ NW $\frac{1}{4}$; thence North along said $\frac{1}{4}$ line for 208.7 feet; thence East for 208.7 feet; thence South for 208.7 feet; thence West along the South line of said $\frac{1}{4}$ line for 208.7 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 \$ 62,500.00 covers add'l (State whether mortgage, trust deed, contract, security agreement which lien was prop.)
Recorded on March 15, 1984, in the Mortgage Records of Klamath County, Oregon, in book/entry No. M-84 at page 4184 thereof or as document/fee/file/instrument/microfilm No. (indicate which);
Created by a security agreement, notice of which was given by the filing of a financing statement in the office of the Oregon Secretary of State, Department of Motor Vehicles, 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 \$ 40,000.00 to the present owner of the property above described, with interest thereon at a rate not exceeding 15 % per annum, said loan to be secured by the said present owner's Deed of Trust (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 10 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 30 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.

South Valley State Bank
By: Alan L. Craighead PRESIDENT

STATE OF OREGON,

County of Klamath } ss.

8048

Personally appeared the above named

Allan L. Craigmiles

May 10

, 19 84

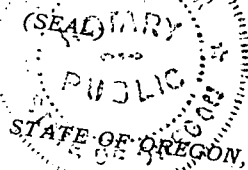
and acknowledged the foregoing instrument to be his

voluntary act and deed. Before me:

Jada Chelista

Notary Public for Oregon.

My commission expires 10-17-87



County of _____ } ss.

Personally appeared _____

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

, 19 _____

of _____
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 _____ Notary Public for Oregon.

SUBORDINATION AGREEMENT

TO _____

AFTER RECORDING RETURN TO

Open Title & Escrow

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

STATE OF OREGON,

County of Klamath } ss.

I certify that the within instru-
ment was received for record on the
16th day of May, 19 84,
at 10:43 o'clock A.M., and recorded in
book/reel/volume No. M84, on
page 8047 or as fee/file/instru-
ment/microfilm/reception No. 36643,
Record of Mortgages
of said County.

Witness my hand and seal of
County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By Ann Smith

Deputy

Fee: \$8.00