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ATE 28803

STEVEN-NEER LAW PUBLISHING CO., PORTLAND, OR. 97204

THIS AGREEMENT, Made and entered into this 11th day of June, 1985, by and between SOUTH VALLEY STATE BANK hereinafter called the first party, and THE BENJ. FRANKLIN SAVINGS & LOAN ASSOCIATION hereinafter called the second party; WITNESSETH:

On or about November 20, 1984, THOMAS A. STRUNK and GERALDINE G. STRUNK, being the owner of the following described property in Klamath County, Oregon, to-wit: The Southwesterly 30 feet of Lot 42 and the Northeasterly 80 feet of Lot 43, MOYINA, in the County of Klamath, State of Oregon.

executed and delivered to the first party his certain Trust Deed (herein called the first party's lien) on said described property to secure the sum of \$ 65,000.00, which lien was Recorded on November 29, 1984, in the Mortgage Records of Klamath County, Oregon, in book No. M-84 at page 20112 thereof.

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 \$17,500.00 to the present owner of the property above described, with interest thereon at a rate not exceeding 13.25% per annum, said loan to be secured by the said present owner's Trust Deed (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 15 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.

SOUTH VALLEY STATE BANK

By: *[Signature]* President

85 JUN 21 AM 11 07

(Cost which is not pertinent to this transaction)

9418

STATE OF OREGON,

County of _____

ss.

19

Personally appeared the above named _____

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

(SEAL)

Notary Public for Oregon.

My commission expires _____

STATE OF OREGON,

County of _____

ss.

6-18, 1985

Personally appeared _____

Allan L. Craigmiles

PRESIDENT

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

of _____ SOUTH VALLEY STATE BANK

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)

Notary Public for Oregon

My commission expires _____

SUBORDINATION
AGREEMENT

TO

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

AFTER RECORDING RETURN TO

The Ben Franklin

212 S. 6th

KFO 97601

20728

Fee: \$9.00

STATE OF OREGON,

County of _____ Klamath _____

ss.

I certify that the within instru-
ment was received for record on the
21st day of June, 1985,
at 11:07 o'clock A.M., and recorded in
book/reel/volume No. M85, on
page 9417 or as fee/tile/instru-
ment/microfilm/reception No. 50152,
Record of _____ Mortgages
of said County.

Witness my hand and seal of
County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By _____ Deputy