

RECORDING REQUESTED BY:

50995 Vol. 185 Page 11002

WHEN RECORDED MAIL TO:

WARNER MOUNTAIN TITLE & ESCROW CO.
P.O. BOX 1888 • MAIN ST. CT. 17
ALTURAS, CA 96101 (916-233-4546)

#2703

K-37725

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BE-
COMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY
INSTRUMENT.

THIS AGREEMENT, made this 25th day of June, 19 85, by W. C. Dalton 1982 Trust
by W. C. Dalton Trustee and Julianne M. Dalton Trustee and Julianne M.
Dalton 1982 Trust, by Julianne M. Dalton, Trustee and W. C. Dalton Trustee
owner of the land hereinafter described and hereinafter referred to as "Owner," and
Lassen Production Credit Association, a corporation
present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS,
did execute a deed of trust, dated April 5, 1985, to Lassen Production Credit
Association, as trustee, covering:

SEE EXHIBIT "C" ATTACHED

to secure a note in the sum of \$ 944,455.00
Production Credit Association
recorded May 31, 1985, in book M-85 page 8024, dated June 19, 1985, in favor of Lassen

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$ 428,500.00
dated June 19, 1985, in favor of Federal Land Bank, which deed of trust was
hereinafter referred to as "Lender," payable with interest and upon the terms and conditions de-
scribed therein, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said deed of trust last above mentioned shall unconditionally be and
remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the deed of trust
first above mentioned; and

WHEREAS, lender is willing to make said loan provided the deed of trust securing the same is a lien or charge upon the above described
property prior and superior to the lien or charge of the deed of trust first above mentioned and provided that Beneficiary will specifi-
cally and unconditionally subordinate the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of
trust in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the
deed of trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and
superior to the lien or charge of the deed of trust first above mentioned.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the re-
ceipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred
to, it is hereby declared, understood and agreed as follows:

- (1) That said deed of trust securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally
be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the
deed of trust first above mentioned.
- (2) That Lender would not make its loan above described without this subordination agreement.

11002

11009

EXHIBIT "C"

All the following described real property situate in Klamath County, Oregon:

Township 41 South, Range 12 East of the Willamette Meridian

Section 14: Lots 1 and 2 and the SE $\frac{1}{4}$ SW $\frac{1}{4}$; EXCEPTING right of way for the Adams Canal; FURTHER EXCEPTING all that portion of the SE $\frac{1}{4}$ SW $\frac{1}{4}$ lying Easterly of the United States Reclamation Service right of way; AND FURTHER EXCEPTING THE FOLLOWING PARCEL: Beginning at the Northwest corner of said Government Lot 1, said point being in the centerline of the County Road; thence Easterly along the North line of said Government Lot 1 and along the centerline of the County Road a distance of 179 feet; thence Southerly parallel with the West line of said Government Lot 1 a distance of 390 feet; thence Westerly parallel with the North line of said Government Lot 1 a distance of 179 feet to the West line of said Government Lot 1; thence Northerly along the West line of said Government Lot 1 a distance of 390 feet, more or less, to the point of beginning.

Section 23: Lots 1, 2, 3, 4, 5, and 6, NW $\frac{1}{4}$ NW $\frac{1}{4}$; EXCEPT that portion of Lots 2 and 5 lying within the North 30 acres of said Lots 2 and 5; AND FURTHER EXCEPTING that portion of Lots 3 and 4 lying within the SE $\frac{1}{4}$ NE $\frac{1}{4}$.

STATE OF CALIFORNIA
COUNTY OF MODOC

On July 11, 1985

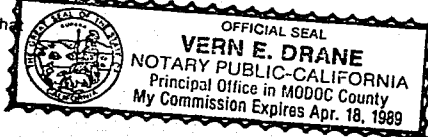
said State, personally appeared W.C. Dalton and Julianne M. Dalton,
Trustees before me, the undersigned, a Notary Public in and for

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same.

WITNESS my hand and official seal.

Signature

VERNE E. DRANE



(This area for official notarial seal)

STATE OF OREGON: COUNTY OF KLAMATH:ss
I hereby certify that the within instrument was received and filed for record on the 12th day of July A.D., 1985 at 2:00 o'clock P M, and duly recorded in Vol. M85 of Mortgages on page 11007.

Fee: \$ 13.00

EVELYN BIEHN, COUNTY CLERK
by: Bernetha A. Heltsch, Deputy