

TN

56614

THIS AGREEMENT, Made and entered into this 16th day of December, 1985,  
by and between South Valley State Bank  
hereinafter called the first party, and Klamath First Federal Savings & Loan Assn.  
hereinafter called the second party; WITNESSETH:  
On or about December 26, 1984, Lee W. Matchett and Jannette M. Matchett  
being the owner of the following described property in Klamath County, Oregon, to-wit:

Lot 12, Block 2, TRACT No. 1145 NOB HILL, a Resubdivision of portions of Nob Hill,  
Irvington Heights, Mountain View Addition and Eldorado Heights, according to the  
official plat thereof on file in the office of the County Clerk of Klamath County, 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 \$30,000.00, which lien was  
Recorded on November 5, 1985, in the Mtg. Records of Klamath County,  
Oregon, in book/reel/volume No. M85 at page 18040 thereof or as document/fee/file/instrument/  
microfilm No. XXXXXXXXXX (indicate which);  
Filed on \_\_\_\_\_, 19\_\_\_\_, in the office of the \_\_\_\_\_ of \_\_\_\_\_  
County, Oregon, where it bears the document/fee/file/instrument/microfilm No. \_\_\_\_\_  
(indicate which);  
Created by a security agreement, notice of which was given by the filing on \_\_\_\_\_, 19\_\_\_\_, of  
a financing statement in the office of the Oregon Secretary of State where it bears file No. \_\_\_\_\_  
and in the office of the \_\_\_\_\_ of \_\_\_\_\_ County, Oregon,  
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 \$87,200.00 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 Deed of Trust (State nature of lien to be given, whether mortgage, trust deed, contract, security agreement or otherwise)  
second party's lien) upon said property and to be repaid within not more than 30 days from its date.

To induce the second party to make the loan last mentioned, the first party heretofore has agreed and con-  
sented 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 \_\_\_\_\_ days after the date hereof, this sub-  
ordination agreement shall be null and void and of no force or effect.

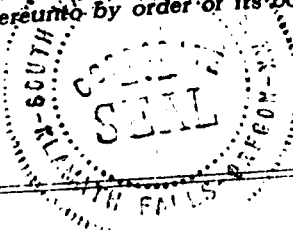
It is expressly understood and agreed that nothing herein contained shall be construed to change, alter or im-  
pair the first party's said lien, except as hereinabove expressly set forth.

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 cor-  
poration, 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: Allan D. [Signature]



STATE OF OREGON,

County of Klamath

ss.

DECEMBER 17

20777

85

, 19

Personally appeared the above named

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

Notary Public for Oregon.

(SEAL)

My commission expires

STATE OF OREGON,

County of Klamath

ss.

December 17, 1985

Personally appeared Allan L. Craigmiles

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

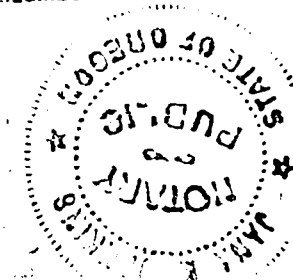
of South Valley State Bank

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 4-17-89



### SUBORDINATION AGREEMENT

South Valley State

TO

Klamath First Federal

AFTER RECORDING RETURN TO

Klamath First Federal  
540 Main Street  
Klamath Falls, OR 97601

(DON'T USE THIS SPACE! RESERVED FOR RECORDING LABEL IN COUNTIES WHERE USED.)

STATE OF OREGON,

ss.

County of Klamath

I certify that the within instrument was received for record on the 23rd day of December, 1985, at 11:51 o'clock A.M., and recorded in book/reel/volume No. M85 on page 20776 or as document/fee/file/instrument/microfilm No. 56614, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME

By Pam Smith Deputy

Fee: \$9.00