

TN

58588

25 day of February, 1986

THIS AGREEMENT, Made and entered into this 25 day of February, 1986, by and between John D. Merryman, Klamath First Federal Savings and Loan hereinafter called the first party, and Gary W. Hargrave and Gary L. Hedlund hereinafter called the second party; WITNESSETH: On or about November 15, 1985, Gary W. Hargrave and Gary L. Hedlund, being the owner of the following described property in Klamath County, Oregon, to-wit:

Lots 3 and 4 in Block 7 of Original Town of Linkville, now City of Klamath Falls, Oregon, 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 \$64,000.00 which lien was Recorded on November 15, 1985, in the Mtg. Records of Klamath County, Oregon, in book/reel/volume No. M-85 at page 18499 thereof or as document/microfilm No. 55404 (indicate which);

Filed on 1985, in the office of the Secretary of State, 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 1985, of a financing statement in the office of the Oregon Department of Motor Vehicles where it bears file No. (indicate which); and in the office of the Secretary of State, 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 \$37,500.00 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 Trust Deed

(State nature of lien to be given, whether mortgage, trust deed, contract, security agreement or otherwise) days from its date. second party's lien) upon said property and to be repaid within not more than years

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 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.

John D. Merryman  
John D. Merryman

16 FEB 22 AM 9 143

STATE OF OREGON,

3245

County of Klamath } ss.

February 25, 1986

Personally appeared the above named John D. Merrymanand acknowledged the foregoing instrument to be his voluntary act and deed. Before me:

(SEAL)

**TRUDIE DURANT**  
**NOTARY PUBLIC - OREGON**

My Commission Expires

Notary Public for Oregon.

My commission expires 9/30/89

STATE OF OREGON,

County of \_\_\_\_\_ } ss.

Personally appeared \_\_\_\_\_,

who being duly sworn, did say that he is the \_\_\_\_\_

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)

Notary Public for Oregon.

My commission expires \_\_\_\_\_

**SUBORDINATION  
AGREEMENT**Merryman

TO

Klamath First Federal  
Savings and Loan

AFTER RECORDING RETURN TO

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

Fee: \$9.00

STATE OF OREGON,

County of Klamath } ss.

I certify that the within instru-  
 ment was received for record on the  
26th day of February, 1986,  
 at 8:43 o'clock AM., and recorded in  
 book/reel/volume No. M86, on  
 page 3245 or as fee/file/instru-  
 ment/microfilm/reception No. 58588.  
 Record of Mortgages  
 of said County.

Witness my hand and seal of  
County affixed.Evelyn Biehn, County Clerk

NAME

TITLE

By John D. Merryman Deputy