

59415

K-18478
SUBORDINATION AGREEMENT

Vol. M86 Page 4691

THIS AGREEMENT, Made and entered into this 20 day of March, 1986, by and between Kyle W. Shaffer, Shirley L. Shaffer, George M. Shaffer, Jr., Jahala L. Shaffer, Royce G. Shaffer and Velta L. Shaffer, hereinafter called the first party, and Western Bank, hereinafter called the second party; WITNESSETH:

On or about January 21, 1986, Robert A. Stewart, Robert J. Harrahill and Betty L. Harrahill, being the owner of the following described property in Klamath County, Oregon, to-wit:

A parcel of land situated in Lots 2 and 3, Block 2, Tract 1080, Washburn Park, a duly recorded subdivision in Klamath County, Oregon, said parcel being more particularly described as follows: Beginning at the Southwest corner of said Lot 3; thence N. 89°56'30" W. 100.00 feet; thence N. 00°03'30" E. 295.29 feet to a point on the Northerly line of said Lot 2; thence N. 89°41'49" E., along said Northerly line, 57.69 feet to a point on the Southerly right of way line of Weyerhaeuser Timber Company Railroad (formerly O.C.&E.); thence along said right of way line S. 66°51'15" E. 103.62 feet; thence Westerly, along the arc of a curve to the left (radius point bears S. 01°42'25" W. 356.28 feet, central angle = 08°32'26") 53.11 feet to a point on the North-South line common to said Lots 2 and 3; thence S. 00°03'30" W. 252.59 feet to the point of beginning, containing 29,805 square feet, with bearings based on said Tract 1080, Washburn Park.

executed and delivered to the first party their certain contract of sale (herein called the first party's lien) on said described property, which lien was recorded February 19, 1986, Vol. M86, page 2991, Deed Records of Klamath County, Oregon; reference to the document so recorded or filed hereby is made. The first party has never sold or assigned his interest under said contract of sale and at all times since the date thereof has been and now is the owner and holder of the vendee's interest thereunder.

The second party is about to loan the sum of \$ 424,934.20 to the present owner of the property above described, with interest thereon at a rate not exceeding 12 % per annum said loan to be secured by the said owner's mortgage (hereinafter called the second party's lien) upon said property and to be repaid within not more than 4 years from its date. *Rate to be adjusted to Western Bank's Base Lending Rate plus 3%.

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, its successors and assigns, that the said first party's lien on said 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 10 days after the date hereof, this subordination agreement shall be null and void and of no force or effect.

59415
K-18478
Vol. M86 Page 4691

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.

FIRST PARTIES:

Royce G. Shaffer
Royce G. Shaffer

Lyle W. Shaffer
Lyle W. Shaffer

Velta L. Shaffer
Velta L. Shaffer

Shirley L. Shaffer
Shirley L. Shaffer

George M. Shaffer, Jr.
George M. Shaffer, Jr.

Jahala L. Shaffer
Jahala L. Shaffer

SECOND PARTY: WESTERN BANK

By H. Wayne Lutzier
H. Wayne Lutzier, Assistant Manager
By _____

Return to:
Western Bank
P.O. Box 669
Klamath Falls, OR 97601

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

STATE OF OREGON,

County of Klamath
Before me appeared H. Wayne Lutzier

On this 20th day of March, 1986,
known to me personally known, who being

duly sworn, did say that he, the said H. Wayne Lutzier, is the Assistant Manager of Western Bank, a within named Corporation, and that the seal affixed to said instrument is the corporate seal of said Corporation, and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors, and H. Wayne Lutzier acknowledged said instrument to be the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Jean Burcatt
Notary Public for Oregon.
My Commission expires 2/26/87

FORM NO. 23 - ACKNOWLEDGMENT
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

STATE OF OREGON,

County of Klamath

BE IT REMEMBERED, That on this 20th day of March, 1986, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Royce G. Shaffer, Velta L. Shaffer, Lyle W. Shaffer, Shirley L. Shaffer, George M. Shaffer, Jr. and Jahala L. Shaffer

known to me to be the identical individual(s) described in and who executed the within instrument and acknowledged to me that their executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Faythe Moore
Notary Public for Oregon.
My Commission expires 8/27/87

STATE OF OREGON: COUNTY OF KLAMATH:

Filed for record at request of _____ the 20th day of March, A.D. 1986, at 3:46 o'clock P.M., and duly recorded in Vol. H86 of _____ on Page 4691.

FILE: 19.00

Evelyn Babin,
By _____

County Clerk