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MTC-110707

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STEVENESS LAW PUBLISHING CO., PORTLAND, OR, 97204

THIS AGREEMENT, Made and entered into this 14th day of August, 1986, by and between Q National Corporation, a California Corporation hereinafter called the first party, and Klamath First Federal Savings and Loan Association hereinafter called the second party; WITNESSETH:

On or about September 24, 1985, Floyd Cone and Clo Cone, being the owner of the following described property in Klamath County, Oregon, to-wit:

A parcel of land situated in the SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 5, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8 inch iron pin on the North line of said SW $\frac{1}{4}$ NW $\frac{1}{4}$  from which the Northwest corner of said SW $\frac{1}{4}$ NW $\frac{1}{4}$  bears South 89°55' West, 539.09 feet; thence North 89°55' East along said North line SW $\frac{1}{4}$ NW $\frac{1}{4}$ , 280.00 feet to a 1/2 inch iron pin; thence South 00°05' East, 124.67 feet to a 1/2 inch iron pin; thence South 89°55' West 245.00 feet to a 1/2 inch iron pin; thence South 00°05' East 249.33 feet to a 1/2 inch iron pin on the Northerly right of way line of Lindley Way; thence South 89°55' West along said right of way line, 35.00 feet to a 5/8 inch iron pin; thence North 00°05' West, 374.00 feet to the point of beginning.

executed and delivered to the first party his certain Mortgage

(herein called the first party's lien) on said described property to secure the sum of \$ 516.00, which lien was Recorded on September 27, 1985, in the Mortgage Records of Klamath County, Oregon, in book/roll/volume No. M-85 at page 15678 thereof or as document/fee/file/instrument/microfilm No. \_\_\_\_\_ (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 and in the office of the \_\_\_\_\_ Department of Motor Vehicles where it bears file No. \_\_\_\_\_ 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 \$ 106,000.00 (Variable) to the present owner of the property above described, with interest thereon at a rate not exceeding 8.75 % Per annum, said loan to be secured by the said present owner's trust deeds (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 \_\_\_\_\_ days 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 \_\_\_\_\_ 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 of this, the day and year first above written.

\*\*and an improvement loan in the amount of \$6,759.89, at a rate of 11.75%.

Yacher 8-19-86

STATE OF OREGON,

County of ~~Jefferson~~ } ss.

Personally appeared the above named

and acknowledged ~~that~~ the foregoing instrument to be

voluntary act and deed. Before me:

(SEAL)

Notary Public for Oregon.

My commission expires

STATE OF OREGON,

County of Klamath } ss.

Personally appeared

Robert BarberAugust 20, 1986who being duly sworn, did say that he is the Vice Presidentof C P National

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)

Bette Phillips

Notary Public for Oregon.

My commission expires 8-30-89SUBORDINATION  
AGREEMENT

TO

AFTER RECORDING RETURN TO

KFF&L (mail)  
Box 5270  
HF0

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

STATE OF OREGON,

County of Klamath } ss.

I certify that the within instru-  
 ment was received for record on the  
21st day of August, 1986  
 at 9:41 o'clock AM, and recorded in  
 book/reel/volume No. M86, on  
 page 15023 or as fee/file/instru-  
 ment/microfilm/reception No. 65063,  
 Record of Mortgages  
 of said County.

Witness my hand and seal of  
 County affixed.

Evelyn Biehn, County Clerk  
 NAME TITLE

By Ann Smith Deputy

Fee: \$9.00