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K-38857

STEVENESS LAW PUBLISHING CO., PORTLAND, OR. 97204

THIS AGREEMENT, Made and entered into this 27 Vol. M8 Page 15567
 by and between Crater Lake Potatoes, Inc., day of August, 1986,
 hereinafter called the first party, and United States of America, acting through the Farmers*,
 hereinafter called the second party; WITNESSETH:
 On or about June 16, 1986, Garret Hilyard, Jean Hilyard & Steven Hilyard,
 being the owner of the following described property in Klamath County, Oregon, to-wit:

See Exhibit A attached hereto.

*Home Administration, United States Department of Agriculture

security agreement notice of which was given by recording a financing statement
 executed and delivered to the first party his certain/

(herein called the first party's lien) on said described property to secure the sum of \$_____, which lien was
 Recorded on June 17, 1986, in the Mortgage Records of Klamath County,
 Oregon, in book/teel/volume No. M86 at page 10475 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 Oregon Department of Motor Vehicles where it bears file No. _____
 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 \$176,000.00 to the present owner of the property above
 described, with interest thereon at a rate not exceeding five % per annum, said loan to be secured by the said
 present owner's mortgage
 (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 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 30 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.

CRATER LAKE POTATOES, INC.

By

Vice President

STATE OF OREGON,

15568

County of Klamath

ss.

August 27

, 1986

Personally appeared the above named

and acknowledged 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.

August 27

, 1986

Personally appeared

Harry L. Orem.

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

of CRATER LAKE POTATOES, INC.

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 7/23/89

SUBORDINATION AGREEMENT

TO

AFTER RECORDING RETURN TO

Klamath County Title Co.

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

STATE OF OREGON,

County of

ss.

I certify that the within instru-
ment was received for record on the
day of , 19 ,
at o'clock M., and recorded in
book/reel/volume No. , on
page or as fee/file/instru-
ment/microfilm/reception No. ,
Record of
of said County.

Witness my hand and seal of
County affixed.

NAME

TITLE

By

Deputy

15569

EXHIBIT

DESCRIPTION OF PROPERTY

The following described real property situate in Klamath County, Oregon:

A parcel of land situate in the NW $\frac{1}{4}$ of Section 19, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the Southwest corner of the NW $\frac{1}{4}$ of Section 19, said Township and Range; thence North along the Section line to the Northwest corner of Section 19; thence East to the United States Government Irrigation "A" Canal; thence Southeasterly along said canal to the East line of said NW $\frac{1}{4}$; thence South along the East line of the NW $\frac{1}{4}$ to the Southeast corner of said NW $\frac{1}{4}$; thence West to the place of beginning.

EXCEPTING AND RESERVING THEREFROM A parcel of land in the Southwest corner of said premises as described in Deed Volume 129 page 359,

ALSO EXCEPTING THEREFROM those portions lying within the limits of the Klamath Falls-Merrill Highway and the Crystal Springs Road.

AND ALSO EXCEPTING THEREFROM those parcels recorded in Book 100 at page 270 and Book 136 at page 149, Klamath County Deed Records.

AND FURTHER EXCEPTING, Beginning at a point where the North line of a U. S. Bureau of Reclamation canal intersects the East line of the Klamath Falls-Merrill Highway and from said point the Southwest corner of said NW $\frac{1}{4}$ bears S. 06°37'03" W. 286.70 feet; thence N. 00°36'45" E. on said East line, 870.60 feet; thence N. 86°42'52" E., 158.29 feet; thence N. 88°59'57" E., 194.71 feet to the West line of the A-7-N Canal; thence Southerly on said West line the following courses and distances: S. 13°43' W., 22.24 feet; thence on a 522.00 foot radius curve to the left, 148.81 feet; thence S. 02°37' E., 146.90 feet; thence on a 210.50 foot radius curve to the right, 118.18 feet; thence S. 29°33' W., 324.35 feet; thence on a 450.20 foot radius curve to the left, 147.98 feet; thence S. 10°43' W., 34.43 feet to the intersection of the West line of said A-7-N Canal with the North line of first mentioned U. S. Bureau of Reclamation Canal; thence N. 89°37'22" W. on said North line 104.86 feet to the Point of Beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of
of August

A.D., 1936 at 3:32 o'clock A.M., and duly recorded in Vol. 29th day
of Mortgages on Page 15567 M86

FEE \$13.00

Evelyn Biehn, County Clerk
By *Sam Smith*