

SUBORDINATION AGREEMENT

Date: 12/2/87

Lender: CHETCO FEDERAL CREDIT UNION, P. O. Box 1197,  
Brookings, Oregon 97415

Borrower: DON R. MC NEELY AND KATHLEEN A. MC NEELY, husband and wife,

Original Borrower: Wilma C. Emert

Subordinator: Stephen Lenardo  
P. O. Box 42  
Bly, OR. 97622

Amount of Debt  
\$5,500.00 originally

Subject Property: SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE  
MADE A PART HEREOF.

Original recording information: Trust Deed with Richard D. Emert and Wilma C. Emert as Grantors and William A. Fenzel and Jacklene C. Fenzel as Beneficiaries, recorded October 12, 1983 in Volume M83, page 17513, Klamath County Records, Oregon, and later the Beneficial Interest was assigned to Stephen Lenardo. The undersigned Subordinator hereby certifies to and agrees with the Lender as follows:

1. Subordinator is a lender to the Borrower in the amount shown above.
2. Subordinator acknowledges that the Borrower is presently borrowing or proposes in the future to borrow from the Lender.
3. To induce the Lender to continue its loans to or to enter into future credit accommodations and loans with the Borrower, Subordinator agrees that any and all indebtedness and/or liability of the Borrower to the Subordinator, together with the payment thereof by the Borrower, shall hereafter be and is subordinated and postponed to the prior payment and satisfaction in full of all the present obligations between the Borrower and the Lender, including any renewals or extensions.
4. The subordination created hereunder shall continue until all liabilities of the Borrower to the Lender are paid and satisfied in full, notwithstanding the insolvency, bankruptcy, liquidation, dissolution, or the like, of the Borrower. Subordinator hereby waives any notice of default between the Borrower and the Lender and agrees that the Lender may proceed, at his sole and absolute discretion, in any manner it deems appropriate for the collection of the liabilities of the Borrower to the Lender. The failure of or forbearance of the Lender to enforce any rights it may have

Subordination Agreement

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against the Borrower shall have no effect upon the agreements herein of any Subordinator.

5. This agreement may be amended or the provisions herein waived only with the written consent of the Lender.

6. 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 WITNESS WHEREOF, the undersigned has hereunto set his hand and seal, as of the day and year first above written.

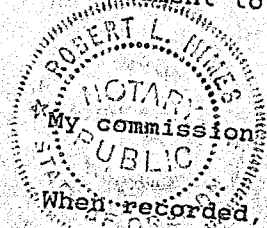
SUBORDINATOR

Stephen Lenardo  
Stephen Lenardo

STATE OF OREGON

County of KLAMATH

On this 30<sup>th</sup> day of December, 1987, the above named personally appeared before me and acknowledged the foregoing instrument to be his voluntary act and deed.



My commission expires: 1/28/91

Robert L. Hines  
Notary Public

When recorded, mail to:  
CHETCO FEDERAL CREDIT UNION  
P. O. Box 1197  
Brookings, Oregon 97415



Order No.: 18851

EXHIBIT "A"  
LEGAL DESCRIPTION

The following described real property in Klamath County, Oregon.  
A tract of land more particularly described as follows:

Beginning at a point which lies North 1 degree 14' West a distance of 680.3 feet and South 89 degrees 26' West a distance of 630 feet from the iron pin which marks the section corner common to Sections 2, 3, 10 and 11, Township 39 South, Range 9 East of the Willamette Meridian, and running thence continuing South 89 degrees 26' West a distance of 100 feet to an iron pin; thence North 1 degree 14' West a distance of 144 feet to an iron pin; thence North 89 degrees 24' East a distance of 100 feet to an iron pin; thence South 1 degree 14' East a distance of 144.1 feet, more or less, to the point of beginning, in the S1/2 S1/2 N1/2 SE1/4 of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, in Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company  
of January A.D., 19 88 at 10:38 o'clock A M., and duly recorded in Vol. M88  
of Mortgages on Page 922  
By Evelyn Biehn, County Clerk  
Ram Smith

FEE \$15.00