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STEVENS, NEER & L... PUBLISHING CO. PORTLAND, OR 97204

Vol. M86 Page 8296

THIS AGREEMENT, Made and entered into this 23rd day of May, 1988, by and between Robert E. Cheyne and Helen J. Cheyne hereinafter called the first party, and Klamath First Federal Savings and Loan Association hereinafter called the second party, WITNESSETH:

On or about November 20, 1980, Shield Crest, Inc., an Oregon Corporation, being the owner of the following described property in Klamath County, Oregon, to-wit:

Lot 5, Block 5, FIRST ADDITION TO SHIELD-CREST, in the County of Klamath, State of Oregon.

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SUBORDINATION

23112 OLOBECOW

executed and delivered to the first party his certain Mortgage

(State whether mortgage, trust deed, contract, security agreement or otherwise)

(herein called the first party's lien) on said described property to secure the sum of \$ 529,115.47 which lien was Recorded on December 11, 1980, in the County of Klamath Oregon, in book 4227 Volume No. M80 at page 24023 thereof or as document, fee, file, instrument, or

subordinated on 1-20-87, M87, Page 991 and previously filed on 1-20-87, M87, Page 991 in the office of the County of Oregon, where it bears the document, fee, file, instrument, or

Created by a security agreement notice of which was given by the filing of a financing statement in the office of the Oregon Secretary of State in the office of the Oregon Department of Motor Vehicles, where it bears file No. 19, and it bears the document, fee, file, instrument, or

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 \$ 96,000.00 to the present owner of the property above described, with interest thereon at a rate not exceeding 10.25 % per annum, said loan to be secured by the said present owner's First Deed of Trust

(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 18 months 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 authorized thereunto by order of its board of directors, all on this the day and year first above written.

Robert E. Cheyne
Helen J. Cheyne

23112 OLOBECOW

STATE OF OREGON,

County of Klamath } ss.

8297

This instrument was acknowledged before me on May 27, 1988, by Robert E. Cheyne and Helen J. Cheyne



Jerilyn Winfield
Notary Public for Oregon
My Commission Expires 11-22-88

STATE OF OREGON, County of Klamath } ss. This instrument was acknowledged before me on May 27, 1988, by Robert E. Cheyne and Helen J. Cheyne

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SUBORDINATION AGREEMENT

Cheyne

TO
Klamath First Federal S&L

AFTER RECORDING RETURN TO
Klamath First Federal Savings & Loan
540 Main St.
Klamath Falls, OR 97601

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

STATE OF OREGON, County of Klamath } ss.

I certify that the within instrument was received for record on the 27th day of May, 1988, at 12:01 o'clock P.M., and recorded in book/reel/volume No. M88, on page 8296 or as fee/file/instrument/microfilm/reception No. 87701, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn
Evelyn Biehn, County Clerk
By *Bernetha A. Detrick*
Bernetha A. Detrick, Deputy

Fee \$10.00