

TN 29871

THIS AGREEMENT, Made and entered into this 15th day of May, 1991, by and between PAPE BROS., INC., hereinafter called the first party, and WESTERN BANK, hereinafter called the second party; WITNESSETH: Charles T. and Mickie S. Duval On or about February 25, 1991, being the owner of the following described property in Klamath County, Oregon, to-wit:

One (1) D6C Caterpillar Serial Number 10K3748.

executed and delivered to the first party his certain Security Agreement and UCC-1 (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 \$ N/A, which lien was

Created by a security agreement, notice of which was given by the filing on February 25, 1991, of a financing statement in the office of the Oregon Secretary of State where it bears file No. P39615, County, Oregon, 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 \$ N/A to the present owner of the property above described, with interest thereon at a rate not exceeding N/A % per annum, said loan to be secured by the said present owner's (State nature of lien to be given, whether mortgage, trust deed, contract, security agreement or otherwise)

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 on this, the day and year first above written.

PAPE BROS., INC.

G.J. Riste, Finance Manager

91 MAY 20 PM 12 56

(Cross out any language opposite which is not pertinent to this transaction)

Dated 6-18-90

STATE OF OREGON,

9968

County of _____

ss.

19

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.

May 23

19 91

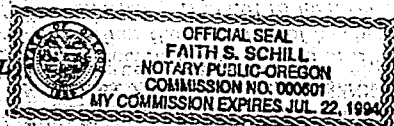
Personally appeared _____ G.J. Riste

who being duly sworn, did say that he is the _____ Finance Manager

of _____ Pape Bros., 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)



Faith S. Schill

Notary Public for Oregon.

My commission expires _____ July 22, 1994

SUBORDINATION AGREEMENT

TO

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

AFTER RECORDING RETURN TO

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

STATE OF OREGON,
County of _____ Klamath

ss.

I certify that the within instrument was received for record on the _____ 28th day of _____ May _____, 19 91, at 12:56 o'clock P.M., and recorded in book/reel/volume No. _____ M91 _____, on page _____ 9967 _____ or as fee/file/instrument/microfilm/reception No. 29871, Record of _____ Mortgages of said County.

Witness my hand and seal of County affixed.

NAME TITLE

NAME TITLE

Fee \$13.00 By _____ Deputy

52851

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