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K-44415

TN 50589

August, 1992

THIS AGREEMENT, Made and entered into this 31st day of August, 1992, by and between SOUTH VALLEY STATE BANK hereinafter called the first party, and FIDELITY FINANCIAL SERVICES CORP. hereinafter called the second party; WITNESSETH:
On or about March 13, 1992, JOHN F. HONEYCUTT, being the owner of the following described property in Klamath County, Oregon, to-wit:

The Easterly one-half of Lot 4 in Block 24 of Hillside Addition to the City of Klamath Falls, Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

RECORDED
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executed and delivered to the first party his certain Note and Trust Deed (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 \$ 20,000.00, which lien was
—Recorded on April 7, 1992, in the Deed Records of Klamath County, Oregon, in book/reel/volume No. M92 at page 7248 thereof or as document/fee/file/instrument/microfilm No. (indicate which);
—Filed on _____, 19____, in the office of the _____ 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 Department of Motor Vehicles where it bears file No. _____ of _____ County, Oregon, and in the office of the _____ (indicate which) where it bears the document/fee/file/instrument/microfilm No. _____ (indicate which).

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

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 \$ 12,500.00 to the present owner of the property above described, with interest thereon at a rate not exceeding 14.0% per annum, said loan to be secured by the said present owner's Note and Trust Deed (hereinafter called the second party's lien) upon said property and to be repaid within not more than Seven 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.

South Valley State Bank
Thom Reed for PAD

STATE OF OREGON, } ss.

County of _____

Personally appeared the above named _____, 19____

and acknowledged the foregoing instrument to be _____ voluntary act and deed. Before me:

(SEAL)

My commission expires _____
Notary Public for Oregon.

STATE OF OREGON, } ss.

County of KLAMATH

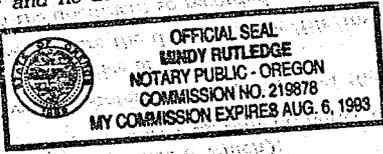
SEPTEMBER 2, 1992

Personally appeared STARM REED

who being duly sworn, did say that he is the LOAN OFFICER

of SOUTH VALLEY STATE BANK
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)



My commission expires _____
Mindy Kutech
Notary Public for Oregon.

SUBORDINATION AGREEMENT

TO _____

AFTER RECORDING RETURN TO
Fidelity Financial
B.O. Box 141
Salem, OR 97308

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

STATE OF OREGON, } ss.

County of Klamath

I certify that the within instrument was received for record on the 14th day of September, 1992, at 1:10 o'clock P.M., and recorded in book/reel/volume No. M92 on page 20931 or as document/fee/file/instrument/microfilm No. 50589, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk.
By Berntha Helbert Deputy