

72625

SUBORDINATION AGREEMENT

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ATC 40956

THIS AGREEMENT, made and entered into this 6th day of December, 1993, by and between FIRST INTERSTATE BANK OF OREGON, N.A. a national banking association ("Bank") and Klamath First Federal Savings and Loan Association ("Second Lender"):

WITNESSETH: On or about May 8, 1992, Larry T. Stewart and Sandra T. Stewart being the owners of the following described property in Klamath County, Oregon, to wit:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE INCORPORATED HEREIN

executed and delivered to Bank a certain Deed of Trust (herein called the Bank's lien) on said described property to secure a revolving line of credit indebtedness in the sum of \$20,000.00, which lien was recorded on May 15, 1992 in the Microfilm Records of Klamath County, Oregon, in Volume M92, on Page 10573. Reference to the document(s) so recorded or filed hereby is made. The Bank has never sold or assigned 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.

Second Lender is about to loan a sum not to exceed \$142,000.00 to the present owner of the property above described to be secured by the present owners' Trust Deed/Mortgage (hereinafter called the Second Lender's lien) upon said property. To induce Second Lender to make the loan last mentioned, Bank heretofore has agreed and consented to subordinate Bank's lien to the lien about to be taken by Second Lender as above set forth.

NOW THEREFORE, for value received and for the purpose of inducing Second Lender to make the loan aforesaid, Bank, for itself, its successors and assigns, hereby covenants, consents and agrees to and with Second Lender, its successors and assigns, that the Bank's lien on said described property is and shall always be subject and subordinate to Second Lender's lien, and that Second Lender's lien in all respects shall be first, prior and superior to that of Bank, provided always, however, that if second lender's lien is not duly filed or recorded within 60 days after the date first shown above, this subordination agreement shall be null and void and of no force or effect.

It is expressly understood and agreed that nothing herein shall be construed to change, alter or impair Bank's 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 set his hand and seal the day and year first above written.

FIRST INTERSTATE BANK OF OREGON, N.A.

By

Manager
Consumer Loan Servicing Center

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me this 6th day of December, 1993, by Gary H. Weinstein of First Interstate Bank of Oregon, N.A., a national banking association, on behalf of the Association.

Carol A. Schug

AFTER RECORDING RETURN TO:

First Interstate Bank of Oregon, N.A.
P.O. Box 3385
Portland, OR 97208-3385

Loan #0883239 8001

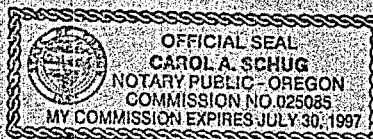


EXHIBIT "A"

A tract of land situated in the NW 1/4 of Section 18, 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 Northwest corner of said Section 18; thence South 00 degrees 01' 10" West along the West line of said Section 18, 2132.47 feet; thence South 89 degrees 51' 42" East 2034.90 feet; thence North 00 degrees 00' 23" East 404.05 feet; thence South 89 degrees 55' 23" East 269.25 feet more or less to the true point of beginning; thence South 00 degrees 00' 23" West 404.05 feet, more or less; thence South 89 degrees 55' 23" East 269.25 feet, more or less; thence North 00 degrees 00' 23" East parallel to the East line of the NW 1/4 of Section 18, 404.63 feet, more or less; thence North 89 degrees 55' 23" West 269.25 feet more or less, to the point of beginning.

CODE 32 MAP 3910-18B0 TL 2301

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 10th day
of December A.D., 19 93 at 10:46 o'clock A M., and duly recorded in Vol. 493
of Mortgages on Page 32919

FEE \$15.00

Evelyn Biehn County Clerk

By

Douglas M. Mendenhall