

73834

01-03-94P02:56 RCVD

MTC 31198
SUBORDINATION AGREEMENT

Vol. 99 Page 111

THIS AGREEMENT, made and entered into this 29th 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 April 10, 1987, Michael L. Spencer and Pamela J. Spencer being the owners of the following described property in Klamath County, Oregon, to wit:

Lot 7 in Block 1, VALE DEAN CANYON, TRACT 1198, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

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 \$22,000.00, which lien was recorded on April 15, 1987 in the Microfilm Records of Klamath County, Oregon, in Volume M87, on Page 6325. 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 \$110,000.00 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

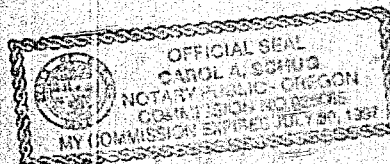
STATE OF OREGON)
County of Multnomah) ss.

The foregoing instrument was acknowledged before me this 29th 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 #0182745-8001



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co the 3rd day
of Jan A.D., 19 94 at 2:56 o'clock P.M., and duly recorded in Vol. 194
of Mortgages on Page 111
Evelyn Biehn County Clerk
By *Caroline Mullesdale*

FEE \$10.00