

01-19-94A09:53 RCVD MTC 31938

74683

**SUBORDINATION AGREEMENT**

THIS AGREEMENT, made and entered into this 7th day of January 1994, 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 July 5, 1991, Rodney T. Schill and Faith S. Schill 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 \$15,000.00, which lien was recorded on July 10, 1991 in the Microfilm Records of Klamath County, Oregon, in Volume M91, on Page 13410. 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 \$65,000.00 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.

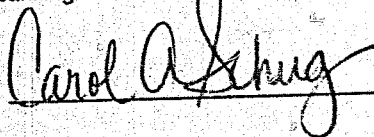
By

  
Manager

Consumer Loan Servicing Center

STATE OF OREGON )  
 ) ss.  
County of Multnomah )

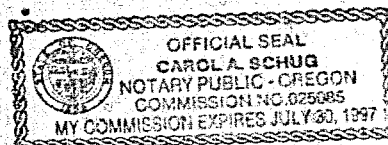
The foregoing instrument was acknowledged before me this 7th day of January 1994, by Gary H. Weinstein of First Interstate Bank of Oregon, N.A., a national banking association on behalf of the Association.

  
Carol A. Schug

AFTER RECORDING RETURN TO:

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

Loan #0803642 8001



## EXHIBIT A

1926

A parcel of land situate in the W 1/2 NE 1/4 SW 1/4 of Section 1, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, being particularly described as follows:

Beginning at the Southwest corner of the W 1/2 NE 1/4 SW 1/4; thence East along the South line of the said W 1/2 NE 1/4 SW 1/4, a distance of 274 feet to a point; thence North Parallel with the West line of the said W 1/2 NE 1/4 SW 1/4, a distance of 215 feet to a point; thence West parallel with the South line of the said W 1/2 NE 1/4 SW 1/4, a distance of 274 feet to the West line of said parcel; thence South along the said West line a distance of 215 feet to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title co the 19th day  
of Jan A.D., 19 94 at 9:53 o'clock A M., and duly recorded in Vol. M94  
of Mortgages on Page 1925

Evelyn Biehn

County Clerk

By Pauline Mulendore

FEE \$15.00