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## SUBORDINATION AGREEMENT

Valley Page 953

THIS AGREEMENT made and entered into this 9th day of February 1994, by and between FIRST INTERSTATE BANK OF OREGON, N.A. a national banking association ("Bank") and Plate Valley Funding, L.P. ("Second Lender");

WITNESSETH: On or about September 14, 1989, William F. Pedder and Judith V. Pedder 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 Mortgage (herein called the Bank's lien) on said described property to secure an indebtedness in the sum of \$9,935.00, which lien was recorded on September 18, 1989 in the Microfilm Records of Klamath County, Oregon, in Volume M-39, on Page 17468. 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.

\$34,155.00

Second Lender is about to loan a sum not to exceed \$34,000.00 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.

*[Signature]*  
Manager  
Consumer Loan Servicing Center

STATE OF OREGON )

County of Multnomah )

The foregoing instrument was acknowledged before me this 9th day of February 1994, by Gary H. Weinstein of First Interstate Bank of Oregon, N.A., a national banking association, on behalf of the Association.

*[Signature]*

AFTER RECORDING RETURN TO:

First Interstate Bank of Oregon, N.A.  
P.O. Box 3365  
Portland, Oregon 97208-3365  
Loan # 0212741 5001

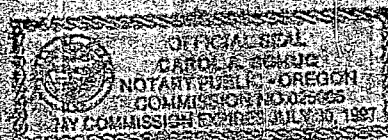




EXHIBIT "A"  
DESCRIPTION OF PROPERTY

The following described real property situate in Klamath County, Oregon:

## PARCEL 1:

All that portion of Government Lot 1 in Section 4, Township 35, South, Range 7 East of the Willamette Meridian, lying Easterly of State Highway No. 422.

SAVING AND EXCEPTING the following parcel: Beginning at the point where the South line of said Government Lot 1 intersects the Easterly right-of-way line of State Highway 422; thence Northeasterly along said right-of-way 310 feet to a point; thence Southeasterly, perpendicular to said right-of-way, 280 feet, more or less, to a point on the South line of said Government Lot 1; thence West along the South boundary of said Government Lot 1, 420 feet, more or less, to the point of beginning.

## PARCEL 2:

The Easterly 86.42 feet of the following: Starting at the Northeast corner of Lot 8 in Section 4, Township 35 South, Range 7 E.W.M., which is 11 chains South from the Section corner common to Sections 3 and 4, Township 35 S.R. 7 E.W.M., and Sections 33 and 34, Township 34 S.R. 7 E.W.M.; thence South 1 chain to the bank of Williamson River; thence South  $70^{\circ}21'$  West along said river bank a distance of 3.26 chains; thence South  $58^{\circ}02'$  West along said river bank a distance of 5.07 chains; thence North  $4^{\circ}77'$  chains; thence East 7.07 chains to the point of beginning.

STATE OF OREGON, COUNTY OF KLAMATH:

Filed for record at request of \_\_\_\_\_ Klamath County \_\_\_\_\_ the \_\_\_\_\_ day  
of \_\_\_\_\_ March \_\_\_\_\_ A.D., 19 \_\_\_\_\_ at \_\_\_\_\_ o'clock \_\_\_\_\_ P.M., and duly recorded in Vol. \_\_\_\_\_  
of \_\_\_\_\_ Mortgages \_\_\_\_\_ on Page \_\_\_\_\_ 9539

RECORDED

GEO. W. BROWN

County Clerk