

RECORDING REQUESTED BY:

When recorded mail to:

Aspen Title & Escrow Inc.
525 Main St.
Klamath Falls, OR 97601
Space above this line for Recorder's use.

Order # 41474

84390

07-15-94P03:31 RCVD SUBORDINATION AGREEMENT

Vol. 94 Page 21900

NOTICE: This subordination agreement results in your security interest in the property becoming subject to and of lower priority than the lien of some other or later security instrument.

This agreement, made this 29th day of June, 1994, by

E.D. Dolan, Jr. and Joycelyn S. Dolan

who is the owner of the land hereinafter described (hereinafter referred to as "Owner"), and

Linda L. Dolan and Patricia L. Dolan

(hereinafter referred to as subordinator) who is the present owner and holder of the note and mortgage or trust deed (hereinafter referred to as security document), first hereinafter described:

WITNESSETH

THAT WHEREAS, Owner has executed a security document, dated November 4, 1991 * ~~XXXXXX~~ to subordinator covering:

Lots 102 and 103, CASITAS FIRST ADDITION, in the County of Klamath, State of Oregon. LESS AND EXCEPT the Southerly 20 feet of Lot 103.

*Recorded in Volume M91, Page 27084

to secure a note in the sum of \$ 15,000.00, dated November 4, 1991, in favor of subordinator, which security document is to be recorded concurrently herewith; and

WHEREAS, Owner has executed, or is about to execute a note and mortgage or trust deed (hereinafter referred to as security document) in the sum of \$ 14,000.00 dated June 29, 1994, in favor of Robert C. Puntney (hereinafter referred to as "lender"), payable with interest and upon the terms and conditions described therein, which security document is also to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan from Lender that said security document last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinafter described, prior and superior to the lien or charge of the security document first above mentioned; and

WHEREAS, Lender is willing to make said loan provided the security document securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the security document first above mentioned and provided that subordinator will specifically and unconditionally subordinate the lien or charge of the security document first above mentioned to the lien or charge of the security document in favor of lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that lender make such loan to Owner; and subordinator is willing that the security document securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the security document first above mentioned.

NOW THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged and in order to induce lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said security document securing said note in favor of lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the security document first above mentioned.
- (2) That lender would not make its loan above described without this subordination agreement.

- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the security document first above mentioned to the lien or charge of the security document in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the security documents heretofore specifically described, any prior agreement as to such subordination including, but not limited, those provisions, if any, contained in the security document first above mentioned, which provide for the subordination of the lien or charge thereof to another security document or security documents.

Subordinator declares, agrees and acknowledges that

- (a) He consents to and approves (i) all provisions of the note and security document in favor of lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between owner and lender for the disbursement of the proceeds of lender's loan;
- (b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has lender represented that it will, see to the application of such proceeds by the person or persons to whom lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
- (c) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the security document first above mentioned in favor of the lien or charge upon said land of the security document in favor of lender above referred to and understands that in reliance upon, and in consideration of this waiver, relinquishment and subordination specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and
- (d) An endorsement has been placed upon the note secured by the security document first above mentioned that said security document has by this instrument been subordinated to the lien or charge of the security document in favor of lender above referred to.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

Linda Dolan
Linda Dolan

E.D. Dolan, Jr.
E.D. Dolan, Jr.

SUBORDINATOR
Pat Dolan

OWNER
Joycelyn S. Dolan

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

IT IS RECOMMENDED THAT PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

STATE OF OREGON, County of Klamath)ss.

This instrument was acknowledged before me on July 7, 1994
by E.D. Dolan, Jr. and Joycelyn S. Dolan and Linda Dolan

This instrument was acknowledged before me on _____, 1994
by _____
of _____

Please SIGN and ACKNOWLEDGE THIS INSTRUMENT BEFORE A NOTARY PUBLIC.

Sign your name EXACTLY as it is typewritten on this document.

Request for Notarization

Mary Staten
OFFICIAL SEAL
MARY STATEN
NOTARY PUBLIC - OREGON
COMMISSION NO. 007658
MY COMMISSION EXPIRES JUNE 23, 1995

(3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the security document first above mentioned to the lien or charge of the security document in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the security documents hereinbefore specifically described, any prior agreement as to such subordination including, but not limited, those provisions, if any, contained in the security document first above mentioned, which provide for the subordination of the lien or charge thereof to another security document or security documents.

Subordinator declares, agrees and acknowledges that

- (a) He consents to and approves (i) all provisions of the note and security document in favor of lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between owner and lender for the disbursement of the proceeds of lender's loan;
- (b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has lender represented that it will, see to the application of such proceeds by the person or persons to whom lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
- (c) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the security document first above mentioned in favor of the lien or charge upon said land of the security document in favor of lender above referred to and understands that in reliance upon, and in consideration of this waiver, relinquishment and subordination specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and
- (d) An endorsement has been placed upon the note secured by the security document first above mentioned that said security document has by this instrument been subordinated to the lien or charge of the security document in favor of lender above referred to.

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Linda Dolan
Pat Dolan
SUBORDINATOR
Pat Dolan

E.D. Dolan, Jr.
Joycelyn S. Dolan
OWNER
Joycelyn S. Dolan

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

IT IS RECOMMENDED THAT PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

STATE OF OREGON, County of Klamath)ss.

This instrument was acknowledged before me on _____, 19984
by E.D. Dolan Jr. and Joycelyn S. Dolan

This instrument was acknowledged before me on _____, 19984
by _____
as _____
of _____

Notary Public for Oregon.
My Commission expires See Attached

STATE OF OREGON, County of Clackamas ss.
 This instrument was acknowledged before me on July 8, 1994
 by Lincoln Dolan and Patricia L. Dolan
 This instrument was acknowledged before me on _____, 19____
 by _____
 as _____
 of _____



Sharon Ritchey
 Notary Public for Oregon.
 My Commission expires 12/5/94

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co the 15th day
 of July A.D., 1994 at 3:31 o'clock P M., and duly recorded in Vol. M94,
 of Mortgages on Page 21900.
 Evelyn Biehn - County Clerk
 By Douglas M. Mullenbarger

FEE \$25.00