

85665 08-09-94P02:59 RCVP MTC 33571-KR Vol. m94 Page 24561

THIS AGREEMENT, Made and entered into this 9th day of August, 1994, by and between SHIELD CREST, INC., an Oregon corporation, hereinafter called the first party, and SOUTH VALLEY STATE BANK, hereinafter called the second party; WITNESSETH:

On or about April 30, 1992, GOLF RESOURCES, INC., a California corporation, being the owner of the following described property in Klamath County, Oregon, to-wit:

SEE ATTACHED LEGAL DESCRIPTION ON EXHIBIT "A" WHICH IS MADE A PART HEREOF BY THIS REFERENCE.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

executed and delivered to the first party a certain Trust Deed (State whether mortgage, trust deed, contract, security agreement or otherwise) (herein called the first party's lien) on the property to secure the sum of \$ 500,000.00, which lien was:

—Recorded on April 30, 1992, 19, in the Microfilm Records of Klamath County, Oregon, in-book/reel/volume No. M92 at page 9451 and/or as fee/file/instrument/microfilm/reception No. (indicate which);

—Filed on, 19, in the office of the of County, Oregon, where it bears fee/file/instrument/microfilm/reception No. (indicate which);

—Created by a security agreement, notice of which was given by the filing on, 19, of a financing statement in the office of the Secretary of State Dept. of Motor Vehicles where it bears file No. and in the office of the of County, Oregon, where it bears fee/file/instrument/microfilm/reception No. (indicate which).

Reference to the document so recorded or filed hereby is made. The first party has never sold or assigned first party's lien and at all times since the date thereof has been and now is the owner and holder thereof and the debt thereby secured.

The second party is about to loan the sum of \$ 1,500,000.00 to the present owner of the property, with interest thereon at a rate not exceeding 24 % per annum. This loan is to be secured by the present owner's Trust Deed (hereinafter called

(State nature of lien to be given, whether mortgage, trust deed, contract, security agreement or otherwise)

the second party's lien) upon the property and is to be repaid not more than 5 years from its date.

— OVER —

SUBORDINATION AGREEMENT

SHIELD CREST, INC.

To

SOUTH VALLEY STATE BANK

After recording return to (Name, Address, Zip):

SOUTH VALLEY STATE BANK
ATTENTION: DAVE HUCKINS

5215 S. 6th St., Klamath Falls, OR 97603

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON, } ss.
County of

I certify that the within instrument was received for record on the day of 19, at o'clock M., and recorded in book/reel/volume No. on page and/or as fee/file/instrument/microfilm/reception No. Record of of said county.

Witness my hand and seal of County affixed.

NAME TITLE
By Deputy

24562

To induce the second party to make the loan last mentioned, the first party heretofore has agreed and consented to subordinate first party's lien to the lien about to be taken by the second party as above set forth.

NOW, THEREFORE, for value received, and for the purpose of inducing the second party to make the loan aforesaid, the first party, first party's personal representatives (or successors) and assigns, hereby covenants, consents and agrees to and with the second party, second party's personal representatives (or successors) and assigns, that the first party's lien on the property is and shall always be subject and subordinate to the lien about to be delivered to the second party, as aforesaid, and that second party's lien in all respects shall be first, prior and superior to that of the first party, provided always, however, that if second party's lien is not duly filed or recorded or an appropriate financing statement thereon duly filed within 10 days after the date hereof, this subordination agreement shall be null and void and of no force or effect.

It is expressly understood and agreed that nothing herein contained shall be construed to change, alter or impair the first party's lien, except as hereinabove expressly set forth.

In construing this subordination agreement, and where the context so requires, the singular includes the plural, and all grammatical changes shall be made so that this agreement shall apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the undersigned has executed this agreement; if the undersigned is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

SHIELD CREST, INC., an Oregon corporation

by: Helen J. Cheyne
by: Secretary Treasurer

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on _____, 19____,

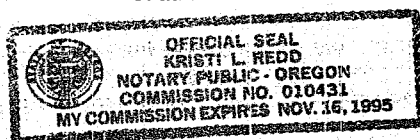
by _____ August 9, 1994,

This instrument was acknowledged before me on _____, 1994,

by HELEN J. CHEYNE

as SECRETARY-TREASURER

of SHIELD CREST, INC., an Oregon corporation



Kristi L. Redd

My commission expires 11/16/95 Notary Public for Oregon

EXHIBIT "A" **LEGAL DESCRIPTION**

PARCEL 1

Lot 10, EXCEPT the Northerly 258.38 feet thereof; The West 30 feet of Lot 2, Block 4; Lot 8, Block 5 of TRACT No. 1257, RESUBDIVISION OF FIRST ADDITION TO SHIELD CREST, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

TOGETHER WITH an undivided interest in all those private roads on the plat and more particularly described in Declaration recorded in Volume M84, page 4256, records of Klamath County, Oregon.

EXCEPTING THEREFROM a parcel of land being a portion of Lot 10, Block 4, TRACT 1257, RESUBDIVISION OF A PORTION OF THE FIRST ADDITION TO SHIELD CREST, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8" iron rod marking the Northwest corner of Lot 9, Block 4, of said TRACT 1257; thence South 46 degrees 34' 59" East a distance of 155.36 feet to a 5/8" iron rod monument; thence South 65 degrees 05' 36" East a distance of 81.68 feet to a point on the Southwesterly line of said Lot 9; thence North 52 degrees 56' 19" West a distance of 234.25 feet to the point of beginning.

PARCEL 2

Parcel 2 of Major Partition 1-91 situate in the NE1/4 of Section 7, and the NW1/4 of Section 8, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 3

A parcel of land located in the W1/2 of the E1/2 of Section 8, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the one-quarter corner common to Sections 5 and 8, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon; thence along the North line of said Section 8, North 89 degrees 45' 14" East 953.75 feet to the Northwest corner of a parcel of land described in Volume M84, page 3240, Deed Records of Klamath County, Oregon; thence, along the boundaries of said parcel South 00 degrees 13' 00" East 185.00 feet; thence North 89 degrees 45' 14" East 348.05 feet; thence South 00 degrees 13' 00" East 372.07 feet; thence East 30.00 feet to a point on the East line of the NW1/4 NE1/4 of Section 8; thence along said East line South 00 degrees 13' 00" East 504.96 feet to the Northeast corner of a parcel of land described in Volume M87, page 15532, Microfilm Records of Klamath County, Oregon; thence along the boundaries of said parcel, South 88 degrees 00' 16" West 220.52 feet; thence North 85 degrees 19' 47" West 286.02 feet; thence South 8 degrees 45' 58" West 551.68 feet to the Southwest corner of said parcel; thence South 8 degrees 48' 39" West 1935.93 feet to the Northeasterly corner of a parcel of land described in Volume 203, page 199, Deed Records of Klamath County, Oregon; thence North 65 degrees 45' 28" West 199.82 feet to the Northwesterly corner of said parcel and the Northeasterly corner of a parcel of land described in Volume M83, page 13511, Microfilm Records of Klamath County, Oregon; thence along the Northerly boundary of said parcel North 80 degrees 36' 19" West 274.21 feet to a point on the West line of the E1/2 of Section 8; thence along said East line North 00 degrees 03' 03" East 3372.34 feet to the point of beginning.

Asa

PARCEL 4

A parcel of land being a portion of Lot 9, Block 4, TRACT 1257, RESUBDIVISION OF A PORTION OF THE FIRST ADDITION TO SHIELD CREST, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the Southwesterly line of Lot 9, Block 4, of said TRACT 1257, said point being South 52 degrees 56' 19" East a distance of 234.25 feet from the Northwest corner of Lot 9; thence South 52 degrees 56' 19" East along the Southwesterly line of Lot 9, a distance of 124.44 feet to a 5/8" iron rod marking the Southwest corner of Lot 9; thence North 83 degrees 18' 16" East along the South line of Lot 9 a distance of 50.00 feet to a 5/8" iron rod monument; thence North 65 degrees 05' 36" West a distance of 164.24 feet to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co the 9th day
of Aug A.D., 19 94 at 2:59 o'clock P M., and duly recorded in Vol. M94,
of Mortgages on Page 24561.

Evelyn Biehn County Clerk

FEE \$25.00

By Pauline Mulendore

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