

NO

31569

97 JAN 21 AM '22

Vol. 1797 Page 1676

**SUBORDINATION AGREEMENT**

STATE OF OREGON,

County of \_\_\_\_\_ } ss.

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. \_\_\_\_\_, Records of said County.

Witness my hand and seal of County affixed.

By \_\_\_\_\_ NAME \_\_\_\_\_ TITLE \_\_\_\_\_, Deputy.

SPACE RESERVED  
 FOR  
 RECORDER'S USE

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

Klamath County Title Company

ATC: 03045556

THIS AGREEMENT made and entered into this 14th day of January, 1997, by and between Klamath County/Pure Project hereinafter called the first party, and Washington Mutual hereinafter called the second party, WITNESSETH:

On or about December 13, 1991, Gordon R. McDonald

being the owner of the following described property in Klamath County, Oregon, to-wit: A tract of land situated in Tract 22, GIENGER'S HOME TRACTS, in the County of Klamath, State of Oregon, more particularly described as follows: Beginning at a point on the Northerly right of way line of Hilyard Avenue, said point situated South 89° 30' West (South 89° 55' West by plat) 165.00 feet from the Southeast corner of said Tract 22; thence North 00° 30' West 225.05 feet to the Southwesterly right of way line of the WeyCo. Railroad (formerly O.C. & E Railroad), said line also being the Northerly line of said Tract 22; thence North 67° 00' West (North 67° 15' West by plat) 87.24 feet; thence South 00° 30' East 259.84 feet; thence North 89° 30' East (North 89° 55' East by plat) 80.00 feet to the point of beginning.

executed and delivered to the first party a certain Trust Deed and Note (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 \$ 2,740.00, which lien was: Recorded on January 29, 1992, 19\_\_\_\_, in the Records of Klamath County, Oregon, in book/reel/volume No. M92 at page 1880 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 Oregon Secretary of State Dept. of Motor Vehicles (indicate which) 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 is hereby 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 \$ 50,000.00 to the present owner of the property, with interest thereon at a rate not exceeding 7.875% per annum. This loan is to be secured by the present owner's

Trust Deed and Note (State nature of lien to be given, whether mortgage, trust deed, contract, security agreement or otherwise) (hereinafter called the second party's lien) upon the property and is to be repaid not more than 180 Months/Days/years (indicate which) from its date.

(OVER)

(Delete any language not pertinent to this transaction)

To induce the second party to make the loan last mentioned, the first party 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, on behalf of the first party and also on behalf of the first party's personal representatives, successors, and assigns, hereby covenants, consents and agrees to and with the second party and second party's personal representatives, 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 the second party's lien in all respects shall be first, prior and superior to that of the first party, provided always, however, that if the second party's lien is not duly filed or recorded, or an appropriate financing statement with respect thereto duly filed within \_\_\_\_\_ 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.

KLAMATH COUNTY TITLE COMPANY, a subsidiary of  
First American Title Co. of Oregon

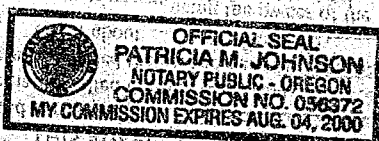
By: Trudie Durant  
President

STATE OF OREGON, County of Klamath ) ss.

This instrument was acknowledged before me on January 14, 1997,

by Trudie Durant, 1997,

as President  
of Klamath County Title Company, a subsidiary of First American Title Co. of Oregon



Patricia M. Johnson  
Notary Public for Oregon

My commission expires Aug 4, 2000

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 21st day  
of January A.D. 19 97 at 10:22 o'clock A. M., and duly recorded in Vol. M97  
of Mortgages on Page 1676

FEE \$15.00

Bernetha G. Leisch, County Clerk  
by Kathleen Ross