

IN

51196

JAN 7 1997

Vol. 1098 Page 435

THIS AGREEMENT, Made and entered into this 31st day of 12, 1997, by and between South Valley Bank and Trust

hereinafter called the first party, and United Companies Lending Co. hereinafter called the second party; WITNESSETH:

On or about 12-16-97

19

Stephen and Heather Joachim

being the owner of the following described property in Klamath County, Oregon, to-wit:

Lot 8 in Block 18 of Second Addition to Klamath River Acres, According to the official plot thereof on file in the office of the County Clerk of Klamath County, Oregon.

executed and delivered to the first party his certain Trust Deed

(herein called the first party's lien) on said described property to secure the sum of \$21,933.52, which lien was (State whether mortgage, trust deed, contract, security agreement or otherwise)
—Recorded on Dec. 24th, 1997, in the County Records of Klamath County, Oregon, in book/reel/volume No. M97 at page 41957 thereof or as document/fee/tile/instrument/microfilm No. 50641 (indicate which);

—Filed on, 19, in the office of the County, Oregon, where it bears the document/fee/tile/instrument/microfilm 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 and in the office of the Department of Motor Vehicles where it bears file No. of County, Oregon, where it bears the document/fee/tile/instrument/microfilm No. (indicate which).

Reference to the document so recorded or filed hereby is made. The first party has never sold or assigned his 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.

The second party is about to loan the sum of \$91,500.00 to the present owner of the property above described, with interest thereon at a rate not exceeding 16% per annum, said loan to be secured by the said present owner's Trust Deed

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

(hereinafter called the

second party's lien) upon said property and to be repaid within not more than 30 years from its date.

To induce the second party to make the loan last mentioned, the first party heretofore has agreed and consented to subordinate first party's said 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, for himself, his personal representatives (or successors) and assigns, hereby covenants, consents and agrees to and with the second party, his personal representatives (or successors) and assigns, that the said first party's lien on said described 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 said lien in all respects shall be first, prior and superior to that of the first party; provided always, however, that if second party's said lien is not duly filed or recorded or an appropriate financing statement thereon 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 said 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 hereunto set his hand and seal; if the undersigned is a corporation, it has caused its corporate name to be signed and its corporate seal to be affixed hereunto by its officers duly authorized thereunto by order of its board of directors, all on this, the day and year first above written.

South Valley Bank and Trust

By K. L. Von Tersch

K.L. Von Tersch LOAN OFFICER

NOTED BY CLERK

STATE OF OREGON,

County of _____

Personally appeared the above named _____, ss. _____, 19____, and acknowledged the foregoing instrument to be _____ voluntary act and deed. Before me:

(SEAL)

Notary Public for Oregon.

My commission expires _____

STATE OF OREGON,

County of Klamath

ss. _____, January 2, 1998

Personally appeared _____

K.L. Venterbach

who being duly sworn, did say that he is the _____ loan officer

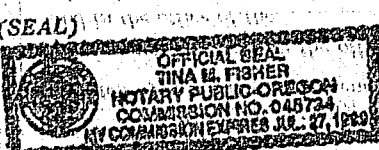
of South Valley Bank & Trust

a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed. Before me:

(SEAL)

Notary Public for Oregon.

My commission expires _____



Tina M. Fisher

SUBORDINATION AGREEMENT

South Valley Bank and Trust

Klamath Falls, OR 97601

TO

United Companies Lending Co.

703 Broadway Suite 504

Vancouver WA 98660

AFTER RECORDING RETURN TO:

South Valley Bank and Trust

PO Box 5210

Klamath Falls, OR 97601

Attn: Tina Fisher

(DON'T USE THIS SPACE; RESERVED FOR RECORDING LABEL IN COUNTIES WHERE USED.)

STATE OF OREGON,

County of Klamath

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

Witness my hand and seal of

County affixed.

Bernetha G. Letsch, Co. Clerk

By _____ Deputy

Fee: \$15.00