

THIS AGREEMENT, Made and entered into this 17th day of February, 1998, by and between WESTERN BANK, A DIVISION OF WASHINGTON MUTUAL BANK, hereinafter called the first party, and KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, hereinafter called the second party; WITNESSETH:
On or about July 30, 1996, Robert G. Kautzman and Lana R. Kautzman, being the owner of the following described property in Klamath County, Oregon, to-wit:

Lot 16 in Block 13, Tract No. 1064, First Addition to Gatewood, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

executed and delivered to the first party a certain Financing Statement, indicating a Security Agreement (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 \$1,432.54, which lien was:

- Recorded on July 30, 1996, in the deed Records of Klamath County, Oregon, in book/reel/volume No. 22979 at page 22979 and/or as fee/file/instrument/microfilm/reception No. (indicate which);
- Filed on 19, in the office of the 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 and in the office of the Dept. of Motor Vehicles where it bears file No. 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 \$77,600.00 to the present owner of the property, with interest thereon at a rate not exceeding 6.50% per annum. This loan is to be secured by the present owner's First 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 15 years from its date. If the second party's lien is to be repaid and the first party's lien is to be repaid, the first party's lien shall be repaid first.

SUBORDINATION AGREEMENT

I, the undersigned, hereby certify that the within instrument was received for record on the 19 day of 1998, at o'clock M., and recorded in book/reel/volume No. 22979 on page 22979 and/or as fee/file/instrument/microfilm/reception No. of said County.

STATE OF OREGON, I certify that the within instrument was received for record on the 19 day of 1998, at o'clock M., and recorded in book/reel/volume No. 22979 on page 22979 and/or as fee/file/instrument/microfilm/reception No. of said County.

After recording return to (Name, Address, Zip):
KFFS&L - #090-04-16776
540 Main St.
Klamath Falls, OR 97601

Witness my hand and seal of County affixed.
NAME _____
Title _____
By _____, Deputy

98 FEB 23 P3:14

(Cross out any language opposite which is not pertinent to this transaction)

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 _____ 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.

STATE OF OREGON, County of Klamath

This instrument was acknowledged before me on

by

This instrument was acknowledged before me on

by

Assistant Vice President/Loan Officer

of

Western Bank is not in the control of the

OFFICIAL SEAL
LORI JANE THORNTON
NOTARY PUBLIC-OREGON
COMMISSION NO. 034099
MY COMMISSION EXPIRES MAY 11, 1998

Notary Public for Oregon

STATE OF OREGON: COUNTY OF KLAMATH: SS.

Filed for record at request of First American Title the 23rd day
of February A.D., 19 98 at 3:14 o'clock P. M., and duly recorded in Vol. M98,
of Mortgages on Page 5831

FEE \$15.00

By Bernetha G. Letsch, County Clerk

THE CHIEF CLERK OF THE NEW YORK COUNTY CLERK'S OFFICE
 REPORTED TO THE OFFICIAL BUREAU THAT ON THE 11th OF OCTOBER OF
 1906 HE IN BLOCK 13, HOUSE NO. 1085, HAD A VISITOR TO CHARGE

.....

10-11-52

[illegible]

THIS VOLUME WILL BE THE LAST OF THE SERIES

132545

255

1893-1894