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## SUBORDINATION AGREEMENT

Scott Valley Bank

To

Tom D. Bengard and

Terry M. Bengard

P. O. Box 80090

Salinas, California 93912

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

Tom and Terry Bengard

P. O. Box 80090

Salinas, California 93912

SPACE RESERVED  
FOR  
RECORDER'S USE

K-52096

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.

NAME

TITLE

By \_\_\_\_\_, Deputy.

THIS AGREEMENT made and entered into this \_\_\_\_\_ day of March, 1998, by and between Scott Valley Bank hereinafter called the first party, and Tom Bengard Ranch, Inc. hereinafter called the second party, WITNESSETH:

On or about May 19, 1994, Robert F. Brown, being the owner of the following described property in Klamath County, Oregon, to-wit:

See Exhibit A attached

It is understood by parties herein that the Trust Deed in favor of Scott Valley Bank contains additional property which is not a part of the subordination. The subordination hereunder shall only pertain to that property shown on Exhibit A attached.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE)

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 \$475,000.00, which lien was:

- (Delete any language not pertinent to this transaction)
- Recorded on May 25, 1994, 19\_\_\_\_, in the Records of Klamath County, Oregon, in book/reel/volume No. M-94 at page 16476 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 \$ 235,000.00 to the present owner of the property, with interest thereon at a rate not exceeding 10.0 % 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 \_\_\_\_\_ ☐ days ☐ years (indicate which) from its date.

(OVER)

8376



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 50 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.

Scott Valley Bank

By: *[Signature]*

California

STATE OF OREGON, County of \_\_\_\_\_ ) ss.

This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_,

by \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_,

by \_\_\_\_\_

as \_\_\_\_\_

of Scott Valley Bank

Notary Public for Oregon

My commission expires \_\_\_\_\_

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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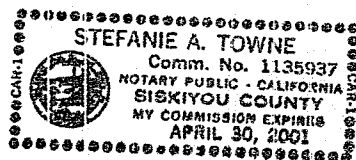
State of California

County of Siskiyou

On March 13, 1998 before me, Stefanie A. Towne, Notary Public,  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Larry D. Mulloy  
Name(s) of Signer(s)

☒ personally known to me — OR — ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Stefanie A. Towne  
Signature of Notary Public

## OPTIONAL

*Though this information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

### Description of Attached Document

Title or Type of Document: Subordination Agreement

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

### Capacity(ies) Claimed by Signer(s)

Signer's Name: \_\_\_\_\_

- ☐ Individual
- ☐ Corporate Officer  
 Title(s): \_\_\_\_\_
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

RIGHT THUMB PRINT OF SIGNER  
 Top of thumb here

Signer's Name: \_\_\_\_\_

- ☐ Individual
- ☐ Corporate Officer  
 Title(s): \_\_\_\_\_
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

RIGHT THUMB PRINT OF SIGNER  
 Top of thumb here

EXHIBIT "A"  
DESCRIPTION OF PROPERTY

## PARCEL 1:

Township 33 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon,

Section 35: SE ¼

Township 34 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon,

Section 1: Lots 5 and 6, Lots 7 and 10 less that portion conveyed to Robert D. Helms et ux, by Deed recorded in Volume 227 of Deeds, page 92, Lots 11, 12, 13 and 20

Section 2: Lots 1, 2, 3, 6, 7, 8, 9, 10, 16, 17 and 24

EXCEPTING THEREFROM a road right of way 155 feet in width across the E ½ of Section 35, Township 33 South, Range 6 East of the Willamette Meridian, as conveyed to Klamath County, Oregon by Deed recorded April 9, 1965 in Deed Volume 360 at page 541 and by Deed recorded April 10, 1965 in Volume 360 at page 656.

ALSO EXCEPTING THEREFROM a road right of way across the E ½ of Section 35, Township 33 S., R. 6 E.W.M. and across the W ½ of Section 36, Township 33 S., R. 6 E.W.M., as conveyed to Klamath County, Oregon, by deed recorded July 14, 1965 in Deed Volume 363 at page 178.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of First American Title the 16th day  
of March A.D., 19 98 at 1:04 o'clock p M., and duly recorded in Vol. M98,  
of Mortgages on Page 8375

Bernetha G. Letsch, County Clerk

FEE \$25.00

By Daniel M. Henderson