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Vol. 1798 Page 12690



THIS AGREEMENT, Made and entered into this 26th day of March, 1998,
by and between CITY OF KLAMATH FALLS
hereinafter called the first party, and NORTH AMERICAN MORTGAGE
hereinafter called the second party; WITNESSETH:
On or about November 4, 1993, SALVADOR GUERRERO JAIMES AND NANCY R. JAIMES
being the owner of the following described property in KLAMATH County, Oregon, to-wit:

Lot 13, Block 202, MILLS SECOND ADDITION TO THE CITY OF KLAMATH FALLS, in the
County of Klamath, State of Oregon.

CODE 1 MAP 3809-33DC TL 4700

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE SIDE)

Executed and delivered to the first party a certain SEE ATTACHED EXHIBIT "A"
(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 \$, which lien was:
—Recorded on , 19 , in the Records of County,
Oregon, in book/reel/volume No. at page and/or as fee/file/instrument/micro-
film/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
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 \$ 45,300.00 to the present owner of the property, with
interest thereon at a rate not exceeding 9.75% per annum. This loan is to be secured by the present owner's
Deed of Trust (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 30 /ddys/ years from its date.

— OVER —

SUBORDINATION AGREEMENT

To

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

CITY ATTORNEY
500 KLAMATH AVENUE
KLAMATH FALLS, OR 97601

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/instru-
ment/microfilm/reception No. ,
Record of
of said county.

Witness my hand and seal of
County affixed.

NAME TITLE
By Deputy

39

12691

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.

CITY OF KLAMATH FALLS

BY James R. Keller
JIM KELLER, CITY MANAGER

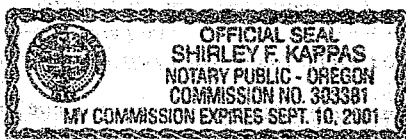
STATE OF OREGON, County of Klamath ss.

This instrument was acknowledged before me on March 25, 1998,
by

This instrument was acknowledged before me on March 25, 1998,
by Jim Keller

as City Manager

of City of Klamath Falls,



Shirley F. Kappas
Notary Public for Oregon
My commission expires 9-10-01

Trust Deed, including the terms and provisions thereof to secure the amount noted below and other amounts secured thereunder, if any:

Grantor: Salvador Guerrero Jaimes and Nancy R. Jaimes, husband and wife as tenants by the entirety
Trustee: B. J. Matzen, City Attorney
Beneficiary: City of Klamath Falls, a municipal corporation
Dated: November 4, 1983
Recorded: January 5, 1984
Book: M-84
Page: 200
Fee No.: 32217
Amount: \$11,698.00

Agreement, including the terms and provisions thereof:

Regarding: Home Improvement Loan
Between: City of Klamath Falls, Oregon, a municipal Corporation
And: Salvador and Nancy Jaimes
Recorded: February 16, 1984
Book: M-84
Page: 2530
Fee No.: 33630

Agreement, including the terms and provisions thereof:

Regarding: Supplemental Home Improvement Loan Agreement
Between: City of Klamath Falls, Oregon, a municipal Corporation
And: Salvador and Nancy Jaimes
Recorded: June 21, 1984
Book: M-84
Page: 10370
Fee No.: 37955

Trust Deed, including the terms and provisions thereof to secure the amount noted below and other amounts secured thereunder, if any:

Grantor: Salvador Guerrero Jaimes and Nancy Rose Jaimes, husband and wife
Trustee: B. J. Matzen, City Attorney
Beneficiary: City of Klamath Falls, a municipal corporation
Dated: March 14, 1984
Recorded: June 21, 1984
Book: M-84
Page: 10373
Fee No.: 37956
Amount: \$125.00

SUBORDINATION/REPAYMENT AGREEMENT

This Agreement is made and entered into by and between Salvador G. and Nancy R. Jaimes (Owners) and the City of Klamath Falls, Oregon (City).

WHEREAS, Owners did execute two Promissory Notes dated March 14, 1984 and November 4, 1983, secured by two Trust Deeds of the same dates and recorded in Klamath County Deed Records at Volume M84, page 10373 and Volume M84, page 200 in favor of the City in consideration for two housing rehabilitation loans; and

WHEREAS, said Trust Deeds cover the Owners' property described as:

Lot 13, Block 202 Mills Second Addition in the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

and

WHEREAS, Owners desire to refinance their home located on said property, have requested the City subordinate its Trust Deeds to said new financing and have therefore offered to begin early repayment on said notes; and

WHEREAS, the City desires to accommodate Owners' request; NOW THEREFORE

THE PARTIES HERETO AGREE AS FOLLOWS:

1. City consents to the subordination of the two Trust Deeds referenced above to the Owners' new loan (and the accompanying Home Improvement Loan Agreements) in the sum of \$41,800.00.
2. In consideration of such subordination the Owners agree to immediately begin paying \$250 per month to City on the Promissory Notes referenced above.
3. This agreement shall be binding upon the parties' heirs, successors and assigns.
4. In the event Owners fail to make said monthly payments, upon written notice by City and 30 days for Owners to cure such default, City shall be entitled to immediately enforce such remedies as provided for in the above referenced Trust Deeds and Notes.

In witness whereof, the parties hereto have caused this agreement to be executed.

OWNERS

CITY OF KLAMATH FALLS

Salvador G. Jaimes
Salvador G. Jaimes

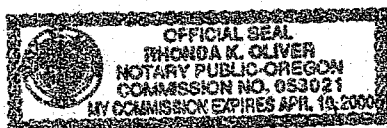
By: James R. Keller
City Manager

Nancy R. Jaimes
Nancy R. Jaimes

Attest: Shirley Kappas
Deputy City Recorder

STATE OF OREGON)
COUNTY OF KLAMATH) ss.

On the 27th day of March, 1998, personally appeared the above-named Salvador G. Jaimes and Nancy R. Jaimes and acknowledged the foregoing instrument to be their voluntary act and deed.



BEFORE ME:

Rhonda K. Oliver
Notary Public for Oregon
My Commission Expires: April 10, 2000

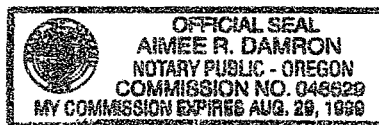
STATE OF OREGON)
COUNTY OF KLAMATH) ss.

On the 25th day of March, 1998, personally appeared James R. Keller and Shirley Kappas and who, each being first duly sworn, did say that the former is the City Manager and the latter is the Deputy City Recorder of the City of Klamath Falls, an Oregon municipal corporation, and that the instrument was signed on behalf of said municipal corporation; and each of them acknowledged said instrument to be its voluntary act and deed.

BEFORE ME:

Aimee R. Damron
Notary Public for Oregon
My Commission Expires: Aug 29, 1999

AFTER RECORDING RETURN TO:
City Recorder
500 Klamath Avenue
Klamath Falls, OR 97601



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 16th day
of April A.D., 1998 at 3:35 o'clock P. M., and duly recorded in Vol. 198
of Mortgages on Page 12690.

FEE \$30.00

By Bernetha G. Letsch, County Clerk
Kathleen Kross