

## When Recorded Return To:

U.S. Small Business Administration  
Attn: T Sabbatini  
2719 N. Air Fresno Drive, Suite 107  
Fresno, CA 93727-1547

Loan No. 6122853002

MTC 43436-Mg

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**SUBORDINATION AGREEMENT**

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NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS AGREEMENT is dated June 10, 1998, and is between Donald L. Steers and Hazel F. Steers, owner(s) of the land described in the Deed of Trust referenced below ("Owner"), Life Bank ("Lender") and the U.S. Small Business Administration, ("SBA")

**RECITALS:**

Owner executed a deed of trust, dated December 23, 1993, to the U.S. Small Business Administration, as trustee, to secure a note in the sum of \$301,000 in favor of SBA. ("SBA Deed of Trust"). The SBA deed of trust was recorded on December 29, 1993 in the Klamath County Official Records at Book M93, Page 35126.

Owner has also executed, or is about to execute, a deed of trust and note in the sum of \$301,000, dated September 22, 1998, in favor of Lender. Lender's deed of trust is to be recorded concurrently herewith.

As a condition precedent to Lender's performance under the loan agreement, the SBA Deed of Trust must be subordinated to the Lender's Deed of Trust. SBA is willing to subordinate the lien of its Deed of Trust provided it retains its lien priority viz-a-viz all other legal or equitable interests in the property.

**AGREEMENT:**

In consideration of the mutual benefits accruing to the parties and to induce Lender to make a loan to Owner, it is hereby agreed and understood as follows:

- (1) Lender's Deed of Trust, and any renewals or extensions thereof, shall be a lien on the property prior to the lien of the SBA deed of trust.
- (2) Lender would not make its loan without this subordination agreement.
- (3) Lender will not advance funds under its Deed of Trust exceeding the principal amount of \$301,000. Lender may, however, make such disbursements which become necessary to protect its security interest and which are recoverable from Owner under the terms of its Deed of Trust. Any lien securing funds advanced or disbursed contrary to this paragraph shall be subordinate to the lien of the SBA Deed of Trust.

- (4) This agreement shall be the whole and only agreement with regard to the subordination of the

Steers JWE 9:28 AM 6/10/98 OR\Subordination - Real Property

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SBA Deed of Trust to Lender's deed of trust. This agreement shall be null and void if not duly executed by all parties.

(5) Owner and Lender shall indemnify the SBA from any lien which is claimed to have gained priority over the SBA Deed of Trust as a result of this subordination.

Date: 9/28/98

Donald L. Steers  
Donald L. Steers, Owner

Date: 9/28/98

Hazel F. Steers  
Hazel F. Steers, Owner

Date: 9/30/98

Life Bank

By: [Signature]  
Mary E. Darter / Executive Vice President  
(please type or print name and title)



U.S. SMALL BUSINESS ADMINISTRATION

Date: 6/10/98

By: [Signature]  
F. Keith Bufano  
Supervisory Loan Specialist

36346

State of Oregon

County of

Klamath

Sept 28, 19 98

Personally appeared the above named Donald L. Steers & Hazel F. Steers  
and acknowledged the foregoing instrument to be their voluntary act and  
deed.

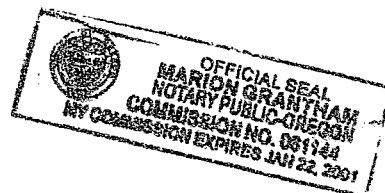
WITNESS My hand and official seal.

(seal)

Marion Grantham  
Notary Public for Oregon

My Commission expires:

1/22/01



# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

36347

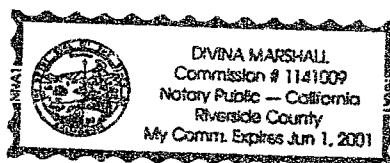
State of California

County of Riverside

On September 30, 1998 before me, Divina Marshall, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Mary E. Darter  
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.

[Signature]  
Signature of Notary Public

## OPTIONAL

*Though the 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. Lot 6122853002

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

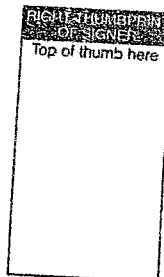
Signer(s) Other Than Named Above: \_\_\_\_\_

### 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: \_\_\_\_\_

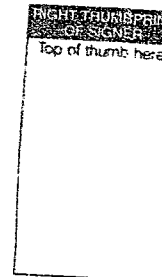
Signer Is Representing: \_\_\_\_\_



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

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

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



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

36348

No. 5907

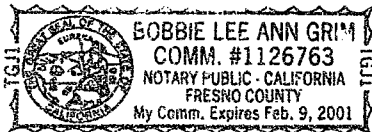
State of California

County of Fresno

On June 10, 1998 before me, Bobbie Lee Ann Grim  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared F. Keith Bufano  
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.

Bobbie Lee Ann Grim  
SIGNATURE OF NOTARY

**OPTIONAL**

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

**CAPACITY CLAIMED BY SIGNER**

- ☐ INDIVIDUAL  
☐ CORPORATE OFFICER

TITLE(S)

- ☐ PARTNER(S) ☐ LIMITED  
☐ GENERAL  
☐ ATTORNEY-IN-FACT  
☐ TRUSTEE(S)  
☐ GUARDIAN/CONSERVATOR  
☐ OTHER: \_\_\_\_\_

**SIGNER IS REPRESENTING:**  
NAME OF PERSON(S) OR ENTITY(IES)

**DESCRIPTION OF ATTACHED DOCUMENT**

LN# 612285-3002  
Subordinated Agreement  
TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of AmeriTitle the 2nd day  
of October A.D., 19 98 at 11:45 o'clock A. M., and duly recorded in Vol. M98  
of Mortgages on Page 36344

FEE \$30.00

By Bernetha G. Letsch, County Clerk  
Kathleen Rios