

NN

SUBORDINATION AGREEMENT

Vol M02 Page 3611

'02 JAN 18 AM 11:19

STATE OF OREGON,

} ss.

SOUTH VALLEY BANK AND TRUST

To
SOUTH VALLEY BANK & TRUSTSPACE RESERVED
FOR
RECORDER'S USE

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

SOUTH VALLEY BANK & TRUST

PO BOX 5210

KLAMATH FALLS, OR 97601

State of Oregon, County of Klamath

Recorded 01/18/2002 11:19 a m.Vol M02, Pg 3611-13

Linda Smith, County Clerk

Fee \$ 31.00 # of Pgs 3

eputy.

mtz Sb043 - kr

THIS AGREEMENT dated JANUARY 14, 2002
 by and between SOUTH VALLEY BANK & TRUST
 hereinafter called the first party, and SOUTH VALLEY BANK & TRUST
 hereinafter called the second party, WITNESSETH:
 On or about (date) JULY 15, 1997, BRENT KAP AND KATHLEEN KAP
 _____, being the owner of the following described property in KLAMATH County, Oregon, to-wit:

PLEASE SEE ATTACHED EXHIBIT "A"

(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 \$ 130,000.00 which lien was:
 — Recorded on AUGUST 12, 1997 in the Records of KLAMATH County, Oregon, in
 book/reel/volume No. M97 at page 26454 and/or as fee/file/instrument/microfilm/reception No.
 _____ (indicate which);

 (Delete any language not
pertinent to this transaction)

~~Recorded in the office of the _____ County, Oregon, where it bears fee/file/instrument/microfilm/reception No. _____~~
~~Created by a security agreement, notice of which was given by the filing on _____~~
~~in the office of the _____ Secretary of State, _____ Dept. of Motor Vehicles (indicate which)~~
~~where it bears fee/file/instrument/microfilm/reception No. _____~~
~~in the office of the _____ County, Oregon, where it bears fee/file/instrument/microfilm/reception No. _____~~
~~in the office of the _____~~

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 \$ 150,000.00 to the present owner of the property, with interest thereon at a rate not exceeding 6.250 % 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 15 ☐ days ☒ years (indicate which) from its date.

(OVER)



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 30 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.

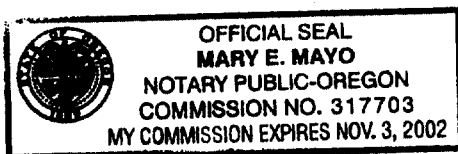
IN WITNESS WHEREOF, the undersigned has executed this agreement. If the undersigned is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

SOUTH VALLEY BANK & TRUST

BY:

Vergie Wright Stepahin
Vice President

STATE OF OREGON, County of Klamath) ss.
This instrument was acknowledged before me on January 17, 2002,
by _____
This instrument was acknowledged before me on January 17, 2002,
by Vergie Wright Stepahin,
as Vice President,
of South Valley Bank & Trust



Mary E. Mayo
Notary Public for Oregon

My commission expires 11-3-02

EXHIBIT "A"
LEGAL DESCRIPTION

A parcel of land situate in Section 12, Township 38 South, Range 8 East, Willamette Meridian, in Klamath County, Oregon, being Parcel 1 of Major Land Partition No. 80-24 Kerns, and being more particularly described as follows:

Beginning at a point on the South line of the SE1/4 NW1/4 of Section 12, Township 38 South, Range 8 East, Willamette Meridian from which the Center ¼ Section corner of said Section 12 bears South 89 degrees 47' 18" East 1,116.00 feet distant, said point being on the center line of a 60 foot wide road easement; thence North 89 degrees 47' 18" West 204.00 feet to a ½ inch iron pin marking the Southwest corner of said SE1/4 NW1/4; thence North 0 degrees 09' East 536.79 feet along the West line of said SE1/4 NW1/4 to a ½ inch iron pin; thence South 89 degrees 47' 18" East 125.00 feet to a point on the centerline of a 60 foot wide road easement; thence along said centerline South 3 degrees 18'25" East 86.68 feet and South 9 degrees 09' 10" East 456.35 feet to the point of beginning.