

02 JAN 23 AM 10:59

MTL 55856-ms

**SUBORDINATION AGREEMENT**

Vol M02 Page 4394  
STATE OF OREGON,

KLAMATH FIRST FEDERAL  
714 MAIN STREET  
KLAMATH FALLS, OR 97601  
To  
SOUTH VALLEY STATE BANK  
P.O. BOX 5210  
KLAMATH FALLS, OR 97601

SPACE RESERVED  
FOR  
RECORDER'S USE

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

SOUTH VALLEY STATE BANK  
P.O. BOX 5210  
KLAMATH FALLS, OR 97601

State of Oregon, County of Klamath  
Recorded 01/23/2002 10:59 a. m.  
Vol M02, Pg 4394-95  
Linda Smith, County Clerk  
Fee \$ 26.00 # of Pgs 2

THIS AGREEMENT made and entered into this 16th day of JANUARY, 2002  
by and between KLAMATH FIRST FEDERAL  
hereinafter called the first party, and SOUTH VALLEY STATE BANK & TRUST  
hereinafter called the second party, WITNESSETH:  
On or about JULY 19, 2001, ALLAN L. CRAIGMILES AND JANE A. CRAIGMILES  
being the owner of the following described property in KLAMATH County, Oregon, to-wit:

UNIT A OF BUILDING NO. 3, STAGE II PLAT OF TRACT 1271-SHEILD CREST CONDOMINIUMS,  
ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK  
OF KLAMATH COUNTY

TOGETHER WITH THAT INTEREST IN COMMON AREAS AS DISCLOSED BY DECLARATION OF SHEILD  
CREST CONDOMINIUMS RECORDED APRIL 23, 1991, AND SUPPLEMENTAL DECLARATION.

ALSO TOGETHER WITH AN UNDIVIDED INTEREST IN ALL THOSE PRIVATE ROADS SHOWN ON THE  
PLAT AND MORE PARTICULARLY DESCRIBED IN DECLARATION RECORDED IN VOLUME M84, PG 4256, AND  
IN EASEMENT RECORDED MAY 23, 1990, IN VOLUME M90, PG 9828, MICROFILM RECORDS OF KLAMATH  
COUNTY, OREGON.

(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 \$ 50,000.00, which lien was:  
— Recorded on June 14, 1999, in the Records of KLAMATH County, Oregon, in  
book/reel/volume No. M99 at page 23304 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 \$ 103,000.00 to the present owner of the property, with interest there-  
on at a rate not exceeding 5.75 % per annum. This loan is to be secured by the present owner's

TRUST DEED

(State nature of lien to be given, whether mortgage, trust deed, contract, security agreement or otherwise)

(hereinafter called

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)

26.00 PM

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 10 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 STATE BANK

BY: [Signature]

SOUTH VALLEY STATE BANK REPRESENTATIVE

STATE OF OREGON, County of KLAMATH

This instrument was acknowledged before me on

as JANUARY 17, 2002

by

This instrument was acknowledged before me on

JANUARY 17, 2002

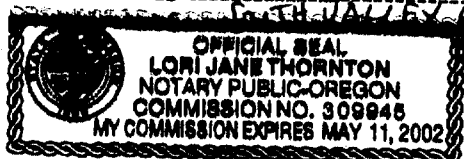
by

DAVE HUCKINS

as

LOAN OFFICER

SOUTH VALLEY BANK & TRUST



Notary Public for Oregon

My commission expires

5-11-2002