NN

MTC - 68539 KR

## SUBORDINATION AGREEMENT

City of Klamath Falls
500 Klamath Avenue
Klamath Falls, OR  97601
To
SCOEDD
Attn:  Deanne Redd
P.O. Box 1777
Klamath Falls, OR  97601
After recording, return to (Name, Address, Zip):
SCOEDD
Attn:  Deanne Redd
P.O. Box 1777
Klamath Falls, OR  97601

S

R

**M05-68484**

Klamath County, Oregon
11/07/2005 03:09:58 PM
Pages  3    Fee: $31.00

THIS AGREEMENT dated __November 4, 2005__
by and between __City of Klamath Falls, a municipal corporation__,
hereinafter called the first party, and __South Central Oregon Economic Development District__,
hereinafter called the second party, WITNESSETH:

On or about (date) __December 16, 2004; Integrated Building Solutions, LLC, an Oregon Limited *__, being the owner of the following described property in __Klamath__ County, Oregon, to-wit:
*Liability Company

See attached Exhibit "A" for legal description

(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 $__100,000.00__, which lien was:

(Delete any language not pertinent to this transaction)

— Recorded on __December 16, 2004__, in the Records of __Klamath__ County, Oregon, in book/reel/volume No. __M04__ at page __86176__ and/or as fee/file/instrument/microfilm/reception No. ____ (indicate which);

— Filed on ____, 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 ____, 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 $__215,000.00__ to the present owner of the property, with interest thereon at a rate not exceeding __7.5__% per annum. This loan is to be secured by the present owner's __Trust Deed and Assignment of Rents__ (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.

Form Approved By:

_R.yk Whitlock, City Attorney_

City of Klamath Falls, a municipal Corporation

X By: _____

_____Jeff Ball_____
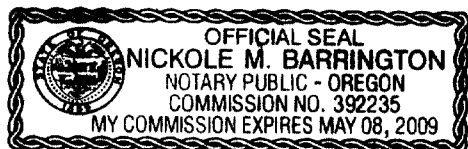
STATE OF OREGON, County of __Klamath_____) ss.

This instrument was acknowledged before me on _____,

by _____.

This instrument was acknowledged before me on __November 7, 2005_____,

by __Jeff Ball_____,

as __City Manager_____

of __City of Klamath Falls, a municipal corporation_____.

__Nickole M Barrington__

Notary Public for Oregon

My commission expires _____ 5-8-2009

# EXHIBIT "A"
## LEGAL DESCRIPTION

A parcel of land situated in the NW1/4 of Section 22, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being a portion of Parcel 3 of Land Partition 32-95 as recorded at the Klamath County Clerks office, being more particularly described as follows:

Beginning at the Northwest corner of said Parcel 3, said point being marked by a 2-1/2" aluminum cap stamped "City of Klamath Falls"; thence along the Northerly line of said Parcel 3, South 89° 27' 28" East 353.81 feet; thence parallel to the Easterly line of said Parcel 3, South 00° 32' 32" West 549.05 feet to the right-of-way line of Joe Wright Road; thence along said right-of-way line, North 89° 27' 28" West, 398.81 feet to the right-of-way line of Swan Court; thence along said right-of-way line North 00° 32' 32" East 453.00 feet to a point of curvature; thence continuing along said right-of-way line along the arc of a 50.00 foot radius curve to the right through a central angle of 50° 12' 29" (the long chord of which bears North 25° 38' 47" East 42.43 feet) a distance of 43.82 feet to a point of reverse curvature; thence continuing along said right-of-way line along the arc of a 75.00 foot radius curve to the left through a central angle of 50° 12' 29" (the long chord of which bears North 25° 38' 47" East, 63.64 feet) a distance of 65.72 feet to the point of beginning.

Tax Account No:     3909-02200-00203-000          Key No:     878720