

2007-008146

Klamath County, Oregon



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05/04/2007 03:24:45 PM

Fee: \$31.00

After recording, return to:
LBLM INVESTMENTS LLC 401K PLAN
19718 Hollygrape Street
Bend, OR 97702

151 1033690 SUBORDINATION OF TRUST DEED

DATE: May 1, 2007

PARTIES:

ALCO, INC.,
an Oregon corporation

(hereafter "ALCO")

LES M. MOMBERT, Trustee of the
LBLM INVESTMENTS, LLC 401K PLAN

(hereafter "LBLM")

RECITALS:

A. OLIVER R. SPIRES and DIANNE E. SPIRES (the "SPIRES") are the owners of certain real property located in Klamath County, Oregon, commonly known as 217 East Main Street, Klamath Falls, Oregon, which is more particularly described as follows:

"Lots 21, 22, 23, 24 and 25, Block 17, INDUSTRIAL ADDITION, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon (the "Property");

B. On or about January 31, 2003, the SPIRES, as Grantor, executed a Trust Deed in favor of FORD MOTOR CREDIT COMPANY, a Delaware corporation, as Beneficiary, which was recorded March 6, 2003, at Volume M03, Page 13718, Microfilm Records of Klamath County, Oregon. The beneficial interest in the Trust Deed was assigned to ALCO, INC., an Oregon corporation ("ALCO") by Assignment dated June 27, 2005, recorded July 11, 2005, at Volume M05, Page 52389, Microfilm Records of Klamath County, Oregon (the "ALCO Trust Deed");

C. The SPIRES desire to obtain a loan in the amount of Seventy Five Thousand Dollars (\$75,000.00) from LBLM, but LBLM requires that such loan be secured by a Trust Deed that will be prior to the ALCO Trust Deed; and

D. ALCO is willing to subordinate the lien of the ALCO Trust Deed in favor of LBLM in order that the SPIRES may obtain a new loan from LBLM.

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NOW, THEREFORE, in consideration of the foregoing Recitals, and the covenants and conditions contained herein to be kept and performed, IT IS AGREED:

1. **Subordination.** As an inducement to LBLM to make a new loan advance to the SPIRES in the amount of Seventy Five Thousand Dollars (\$75,000.00), ALCO hereby covenants, consents and agrees with LBLM to subordinate the lien of the ALCO Trust Deed to the lien of a new Trust Deed made by the SPIRES, as Grantor, in favor of LBLM, as Beneficiary, which shall secure payment of a Promissory Note in the principal amount of Seventy Five Thousand Dollars (\$75,000.00).

2. **Further Assurances.** ALCO agrees to execute any other documents that LBLM may reasonably require in order to accomplish the purpose of this Subordination of Trust Deed if so requested by LBLM.

3. **Binding Effect.** This Subordination of Trust Deed shall be binding upon and inure to the benefit of the parties and their respective legal representatives, heirs, successors and assigns.

4. **Attorney Fees.** In the event suit or action is filed to interpret or enforce any term or provision of this Subordination of Trust Deed, the prevailing party shall be entitled to recover from the losing party, their reasonable attorney fees incurred at trial and on appeal.

5. **Entire Agreement.** This Subordination of Trust Deed constitutes the entire agreement between the parties relating to the subject matter hereof, and supersedes and replaces all prior understandings or agreements between the parties relating to such subject matter.

ALCO:

LBLM:

ALCO, INC.

LBLM INVESTMENTS, LLC 401K PLAN

By: Dianne E. Spires
DIANNE E. SPIRES, President

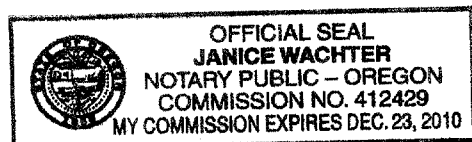
By: Les M. Mombert
LES M. MOMBERT, Trustee

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on ^{APRIL} May 30, 2007, by DIANNE E. SPIRES as President of ALCO, INC., an Oregon corporation.

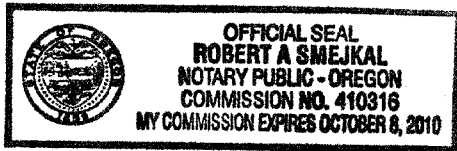
Janice Wachter
NOTARY PUBLIC FOR OREGON

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STATE OF OREGON, County of Lane) ss.

This instrument was acknowledged before me on May 1, 2007, by LES M. MOMBERT as Trustee of the LBLM INVESTMENTS, LLC 401K PLAN.



Robert Smejkal
NOTARY PUBLIC FOR OREGON