

2007-008147

Klamath County, Oregon



05/04/2007 03:25:17 PM

Fee: \$31.00

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

1ST 1033690

SUBORDINATION OF TRUST DEED

DATE: May 1, 2007

PARTIES:

IDA SPIRES

(hereafter "IDA SPIRES")

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 December 2, 2004, the SPIRES, as Grantor, executed a Trust Deed in favor of IDA SPIRES, as Beneficiary, which was recorded December 2, 2004, at Volume M04, Page 82861, Microfilm Records of Klamath County, Oregon (the "IDA SPIRES 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 IDA SPIRES Trust Deed; and

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

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), IDA SPIRES hereby covenants, consents and agrees with LBLM to subordinate the lien of the IDA SPIRES 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.** IDA SPIRES 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.

IDA SPIRES:

LBLM:

LBLM INVESTMENTS, LLC 401K PLAN

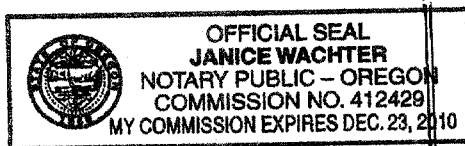
Ida Spires
IDA SPIRES

By:

Les M. Mombert
LES M. MOMBERT, Trustee

STATE OF OREGON, County of Klamath) ss.

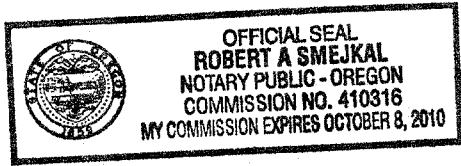
This instrument was acknowledged before me on ^{APR} ~~May~~ 30, 2007, by IDA SPIRES.



Janice Wachter
NOTARY PUBLIC FOR OREGON

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