

NN

## SUBORDINATION AGREEMENT

2009-010339

Klamath County, Oregon



00070324200900103390030037

07/30/2009 03:26:04 PM

Fee: \$31.00

RESTATED GEORGE V. DUGAN TRUST

To  
SOUTH VALLEY BANK AND TRUSTSPACE RESE  
FOR  
RECORDER'S

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

South Valley Bank and Trust

P O Box 5210

Klamath Falls, Or 97601 attn: Cindy

mfc 84934

THIS AGREEMENT dated July 23, 2009  
by and between TRUSTEE OF THE RESTATED GEORGE V. DUGAN TRUST  
hereinafter called the first party, and SOUTH VALLEY BANK AND TRUST  
hereinafter called the second party, WITNESSETH:  
On or about (date) April 24, 2002, KENNETH S. DUGAN AND VIRGINIA DUGAN  
being the owner of the following described property in Klamath County, Oregon, to-wit:

## SEE ATTACHED LEGAL DESCRIPTION MADE A PART HEREOF

**\*\*This subordination agreement is only for a portion of the real property contained in the original trust deed. Parcel 1 of said trust deed is not included in this subordination agreement. Said new loan being obtained does not cover Parcel 1 of the trust deed recorded in Volume m02 at Page 24868.\*\***

(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 \$ 199,936.86, which lien was:

- (Delete any language not pertinent to this transaction)
- Recorded on April 26, 2002, in the Records of Klamath County, Oregon, in book/reel/volume No. m02 at page 24868 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 \$ 1,600,000 to the present owner of the property, with interest thereon ~~at a rate not exceeding xxxxxxxx% per annum~~. This loan is to be secured by the present owner's Line of Credit Instrument recorded in Volume 2009 at page 009790 and Assignment of Rents in Volume 2009 at Page 009791 (hereinafter called

the second party's lien) upon the property and is to be repaid ~~not more than~~ by July 15, 2010 days ☐ years (indicate which) from its date.

(OVER)

31amt



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 \*already 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.

Restated George V Dugan Trust

By Margorie H. Dugan  
Trustee  
Kenneth S. Dugan

STATE OF OREGON, County of Klamath ss.

This instrument was acknowledged before me on \_\_\_\_\_,

by \_\_\_\_\_

This instrument was acknowledged before me on 7-30-09,

by Margorie H. Dugan,

as Trustee

of Restated George V. Dugan Trust

B. Jean Phillips  
Notary Public for Oregon  
My commission expires 3-2-2012

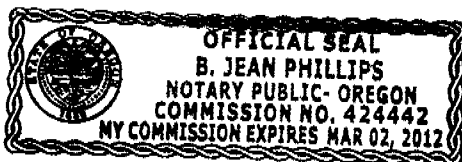


Exhibit A

~~PARCEL 1:~~ Parcel 1  
Deleted

~~Lots 19A, 20A, 20B, 20C, 20D and 20E, Block 3, RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.~~

PARCEL 2:

M.H.G.

Lots 5 to 16 inclusive in Block 3 and Lots 4 to 11 inclusive in Block 4, HOLLISTER ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, AND ALSO the vacated alley through Block 4 of said HOLLISTER ADDITION; AND

ALSO that portion of Block 15 of RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, according to the latest recorded plat thereof, lying between the Southeasterly extension of the Northeasterly line of Seventh Street and the Northeasterly extension of the Northwestern line of Lot 10, Block 4, HOLLISTER ADDITION TO THE CITY OF KLAMATH FALLS, being a strip of land one foot in width and 142 feet, more or less, in length; AND

ALSO, that portion of Block 15 of RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, according to the latest recorded plat thereof, lying between the Northeasterly extension of the Southeasterly line and the Southeasterly extension of the Northeasterly line of Lot 4, Block 4, HOLLISTER ADDITION TO THE CITY OF THE KLAMATH FALLS, being a strip of land one foot in width and 27 feet, more or less, in length; AND

ALSO, that portion of vacated Willow Avenue lying between Block 3 and 4, HOLLISTER ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, and described as follows:

Beginning at the intersection of the Northwestern line of Willow Avenue with the Northeasterly line of Seventh Street; thence Northerly along the Northwestern line of Willow Avenue, a distance of 156 feet to the Northeasterly corner of Lot 16, Block 3, HOLLISTER ADDITION; thence Southeasterly at right angles to Willow Avenue, a distance of 70.0 feet to the Northwestern corner of Lot 4, Block 4, HOLLISTER ADDITION; thence Southwesterly along the Southeasterly line of Willow Avenue, a distance of 156 feet to the Northeasterly line of Seventh Street; thence Northwesterly along the Northeasterly line of Seventh Street, a distance of 70.0 feet to the point of beginning.

PARCEL 3:

Lots 17, 18, 19 and 20, Block 3, HOLLISTER ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, AND ALSO the Northwestern 35 feet of vacated Willow Avenue adjacent to said Lots 17, 18, 19 and 20, Block 3, HOLLISTER ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

PARCEL 4:

The Southeasterly 35 feet of vacated Willow Avenue, adjacent to Lots 1, 2 and 3, Block 4, HOLLISTER ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

PARCEL 5:

Lot 1, Block 3, HOLLISTER ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

PARCEL 6:

That portion of Block 15 of the SUPPLEMENTAL PLAT OF RAILROAD ADDITION, lying between the Northeasterly extension of the Northwestern line of Lot 10, Block 4, HOLLISTER ADDITION and the Northeasterly extension of the Southeasterly line of Lot 4, Block 4, HOLLISTER ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.