

NN

SUBORDINATION AGREEMENT

1st 1556112

2010-006547

Klamath County, Oregon



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05/28/2010 03:26:25 PM

Fee: \$42.00

SPACE RESE FOR RECORDER!

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

First American Title 404 main St K. Falls, OR 97601

THIS AGREEMENT dated May 20, 2010 by and between Michael C. Potts and Carolynne Potts hereinafter called the first party, and Galen Durant hereinafter called the second party, WITNESSETH: On or about (date) Shate Warehouse, LLC, being the owner of the following described property in Klamath County, Oregon, to-wit:

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE)

executed and delivered to the first party a certain Deed of Trust (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 \$1105,000.00 which lien was:

- Recorded on January 29, 2010 in the Records of Klamath County, Oregon, in book/reel/volume No. 2010 at page 1531 and/or as fee/file/instrument/microfilm/reception No. (indicate which);
- Filed on (indicate which);
- Created by a security agreement, notice of which was given by the filing on (indicate which) of a financing statement in the office of the Oregon Secretary of State Dept. of Motor Vehicles (indicate which) where it bears file No. (indicate which) and in the office of the (indicate which) of (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 \$125,000.00 to the present owner of the property, with interest thereon at a rate not exceeding 14% per annum. This loan is to be secured by the present owner's

Deed of Trust (hereinafter called the second party's lien) upon the property and is to be repaid not more than 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 there-to duly filed within \_\_\_\_\_ 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.

*Michael L. Potts*  
\_\_\_\_\_  
*[Signature]*  
\_\_\_\_\_

*California*  
STATE OF ~~OREGON~~, County of *San Luis Obispo* ) ss.  
This instrument was acknowledged before me on *May 26, 2010* at *CP*,  
by ~~Douglas J. Carter~~ *MICHAEL L. POTTS AND CAROLYNNE POTTS*  
This instrument was acknowledged before me on *May 26, 2010*,  
by *MICHAEL L. POTTS AND CAROLYNNE POTTS*  
as *Husband and wife - Secured Party*  
of *Property located at: 800 Spring St. Klamath Falls, OR.*  
*[Signature]*  
Notary Public for ~~Oregon~~ *CALIFORNIA*  
My commission expires *Nov. 6, 2012*

