

SUBORDINATION AGREEMENT

2010-009834

Klamath County, Oregon



00088929201000098340030038

South Valley Bank & Trust
P O Box 5210/801 Main St.
Klamath Falls, OR 97601

To
South Valley Bank & Trust
P O Box 5210/801 Main St.
Klamath Falls, OR 97601

After recording, return to (Name, Address, Zip):
South Valley Bank & Trust Attn: Kathy L.
P O Box 5210/801 Main St.
Klamath Falls, OR 97601

SPACE RESE
FOR
REC

08/18/2010 11:20:00 AM

Fee: \$47.00

THIS AGREEMENT dated April 13, 2001
by and between Gerald O. Herman and Nelda A. Herman, as Tenants by the Entirety,
hereinafter called the first party, and South Valley Bank & Trust,
hereinafter called the second party, WITNESSETH:
On or about (date) April 13, 2001,
being the owner of the following described property in Klamath County, Oregon, to-wit:

See attached Exhibit "A" and by this reference incorporated herein

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE)

executed and delivered to the first party a certain Line of Credit Instrument 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 \$ 50,000.00, which lien was:
— Recorded on April 24, 2001, in the Records of Klamath County, Oregon, in
book/reel/volume No. M01 at page 18298 and/or as fee/file/instrument/microfilm/reception No.
_____ (indicate which);

(Delete any language not pertinent to this transaction)
X Filed on _____ in the office of the _____ of _____
County, Oregon, where it bears fee/file/instrument/microfilm/reception
No. _____ (indicate which);
X 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 or Dept. of Motor Vehicles (indicate which)
where it bears fee/file/instrument/microfilm/reception 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 \$ 332,250.00 to the present owner of the property, with interest thereon at a rate not exceeding 7.00 % per annum. This loan is to be secured by the present owner's _____
Trust Deed (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 30 days ☒ years (indicate which) from its date.

(OVER)

470mct



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.

South Valley Bank & Trust

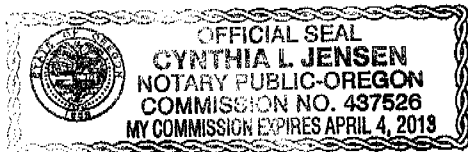
By: [Signature]

Bridgitte Griffin, VP/Regional Credit
Administrator

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on _____,
by _____

This instrument was acknowledged before me on August 11, 2010,
by Bridgitte Griffin,
as VP/Regional Credit Administrator,
of South Valley Bank & Trust



[Signature]
Notary Public for Oregon
My commission expires 4/4/13

EXHIBIT "A"
LEGAL DESCRIPTION

A parcel of land situate in the N1/2 of Section 2, Township 41 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the Northwest corner of Section 2, Township 41 South, Range 10 East of the Willamette Meridian; thence East along the North boundary line of said Section 2,897.40 feet; thence South 1,938.42 feet; thence West 2,830.74 feet to the East meander line of Lost River; thence Northerly following said meander line 695.64 feet to an intersection of said line with the West boundary line of said section; thence North 1,302.84 feet to the place of beginning.

EXCEPTING THEREFROM the right of way for the Great Northern Railway as described in Correction Deed recorded October 13, 1932 in Volume 99, Page 108, Deed Records of Klamath County, AND EXCEPTING THEREFROM that portion thereof lying Westerly of the right of way of the Dalles-California Highway as conveyed to Thomas P. Barry and Winnifred Barry by Deed dated April 25, 1945 and recorded in Volume 180 at page 211 of Deed Records of Klamath County, Oregon.

AND FURTHER EXCEPTING that property described in Deed recorded January 6, 1964 in Volume 350, page 265, Microfilm Records of Klamath County, Oregon.