

WTC 97028-KK

**SUBORDINATION AGREEMENT**

RETURN ORIGINAL TO: AMERITITLE  
300 Klamath Ave., Klamath Falls, OR 97601  
**New First Mortgagee:**

**Equity Trust Company Custodian FBO  
Allan L. Craigmiles, IRA (as to 25%),  
Robert & Evelyn Edgar (as to 25%),  
Douglas & Leta Newman (as to 25%) and  
the Stewart Revocable Living Trust dated  
10-20-2006 (as to 25%), PO Box 7441**

**Second Mortgagee:** /Klamath Falls, OR  
97602

**Annetta R. Skillington  
4114 El Cerrito, Klamath Falls, OR 97603**

**Third Mortgagee:**

**Tower Shopping Center LLC, now by  
succession Scott E. and Cindy L. Balin  
1791 Washburn Way, Klamath Falls, OR 97603**

**2013-006890**

**Klamath County, Oregon**

**06/18/2013 12:25:16 PM**

**Fee: \$57.00**

THIS AGREEMENT dated June 5, 2013 by and between Equity Trust Company Custodian FBO Allan L. Craigmiles IRA (as to 25%), Robert and Evelyn Edgar (as to 25%), Douglas and Leta Newman (as to 25%) and the Stewart Revocable Living Trust dated 10-20-2006 (as to 25%), all hereinafter called the "**new first mortgagee**" and Annetta R. Skillington, hereinafter called the "**second mortgagee**" and Tower Shopping Center LLC, an Oregon Limited Liability Company (now by succession ~~Scott E. Balin and Cindy L. Balin~~) hereinafter called the "**third mortgagee**," WITNESSETH:

On or about June 5, 2013 the owner of the described real property, Tower Shopping Center of Klamath Falls, LLC, an Oregon Limited Liability Company will execute a note and mortgage to the new first mortgagee in the amount of \$440,000 (hereinafter "new loan") with interest at 6% per annum with a 25-year amortization schedule to: 1] pay in full the existing first mortgage on the property to Sterling Bank with an unpaid balance of approximately \$420,000; 2] pay the costs related to the new loan; and, 3] provide cash to the owner to make repairs to the real property. In order to make this new loan the new first mortgagee requires that the second and third mortgagee, as shown above, whose liens are now subordinate to the Sterling Bank loan described above, subordinate their lien positions to the new loan so that the new loan has lien priority over their existing liens and is in the first lien position on the real property.

In order to induce the new first mortgagee, shown above, to make the new loan described above, the second mortgagee and the third mortgagee described above have both agreed and consented to subordinate their respective lien positions to the first mortgagee's lien for the new loan about to be taken as described herein. Second mortgagee recorded 7/11/2008, Volume 2008, page 010003, and Third mortgagee recorded 8/19/2008, Volume 2008, page 011779, both in microfilm records of Klamath County, Oregon.

NOW THEREFORE, for value received, and for the purpose of inducing the new first mortgagee to make the new loan as described, the second and third mortgagee and also on behalf of the second and third mortgagee's personal representatives, successors, and assigns hereby covenant consent and agree that the second and third mortgagee's liens on the real property are and shall always be subject to and subordinate to the lien about to be delivered to the new first mortgagee as aforesaid and that the new first mortgagee lien in all respects shall be first, prior and superior to those of the second and third mortgagee, provided always, however, that if the new first mortgagee's lien is not duly filed and recorded within 15 days after the date hereof, this subordination shall be null and void and of no force or effect.

52AWJ

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Subordination Agreement  
June 3, 2013

Tower Shopping Center of Klamath Falls, LLC, owner  
(Craigmiles, et al, new first mortgagee, Skillington 2<sup>nd</sup> Mortgagee, Balins 3<sup>rd</sup> Mortgagee)

It is expressly understood and agreed that nothing herein contained shall be construed to change, alter or impair the second and third mortgagee's liens except as hereinabove expressly set forth.

In construing this instrument and where the context so requires, the singular included the plural, "mortgagee" includes beneficiary of a trust deed and creditor under a contract, a security agreement or other lien, and all grammatical changes shall be made so that this instrument shall apply equally to businesses, other entities and to individuals.

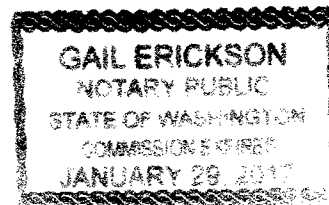
IN WITNESS WHEREOF, the undersigned have executed this instrument; any signature on behalf of a business or other entity is made with the authority of that entity.

X Annetta R. Skillington  
Annetta R. Skillington (survivor to Billy J. Skillington deceased)  
"Second Mortgagee"

State of ~~Oregon~~ Washington  
Kitsap } ss.  
~~Klamath~~ County

This instrument was acknowledged before me on June 10, 2013, by  
Annetta R. Skillington.

Gail Erickson  
Notary Public for ~~Oregon~~ Washington  
My Commission Expires 1-29-17



Scott E. Balin  
(Successors to Tower Shopping Center, LLC, now dissolved)  
"Third Mortgagee"

Cindy L. Balin

State of Oregon  
} ss.  
Klamath County

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

\_\_\_\_\_  
Notary Public for Oregon  
My Commission Expires \_\_\_\_\_

Page Two  
Subordination Agreement  
June 3, 2013

**Tower Shopping Center of Klamath Falls, LLC, owner**  
**(Craigmiles, et al, new first mortgagee, Skillington 2<sup>nd</sup> Mortgagee, Balins 3<sup>rd</sup> Mortgagee)**

It is expressly understood and agreed that nothing herein contained shall be construed to change, alter or impair the second and third mortgagee's liens except as hereinabove expressly set forth.

In construing this instrument and where the context so requires, the singular included the plural, "mortgagee" includes beneficiary of a trust deed and creditor under a contract, a security agreement or other lien, and all grammatical changes shall be made so that this instrument shall apply equally to businesses, other entities and to individuals.

IN WITNESS WHEREOF, the undersigned have executed this instrument; any signature on behalf of a business or other entity is made with the authority of that entity.

Annetta R. Skillington (survivor to Billy J. Skillington deceased)  
"Second Mortgagee"

State of Oregon  
} ss.  
Klamath County

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

\_\_\_\_\_  
Notary Public for Oregon  
My Commission Expires \_\_\_\_\_

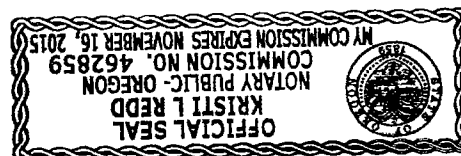


~~Scott E. Balin~~

(Successors to Tower Shopping Center, LLC, now dissolved)

"Third Mortgagee"

State of Oregon  
} ss.  
Klamath County



This instrument was acknowledged before me on June 11, 2013

Kristi L. Redd  
Notary Public for Oregon  
My Commission Expires 11/16/2015

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**PARCEL 1:**

A tract of land situated in TRACT 43 OF ENTERPRISE TRACTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, being more particularly described as follows: Beginning at the section corner common to Sections 33 and 34 of Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon and Sections 3 and 4 of Township 39 South, Range 9 East of the Willamette Meridian; thence North 89° 54' East 40 feet; thence South 0° 00' 30" East 237.5 feet to the point of beginning; thence North 89° 54' East 240 feet; thence South 0° 00' 30" East 50 feet; thence South 89° 54' West 240 feet; thence North 0° 00' 30" West 50 feet to the point of beginning.

**PARCEL 2:**

A tract of land situated in TRACT 43, ENTERPRISE TRACTS, in the NW1/4 NW1/4 of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the West line of said TRACT 43, said point being South 0° 00' 1/2" East a distance of 237 feet and North 89° 54' East a distance of 30.0 feet from the Northwest corner of said Section 3; thence South 0° 00' 1/2" East along the Westerly line of said Tract 43 a distance of 325.75 feet to the Northeasterly line of Pershing Way; thence South 55° 50' 1/2" East along the Northeasterly line of Pershing Way a distance of 302.15 feet to an iron pin; thence North 0° 00' 1/2" West a distance of 495.84 feet to a point North 89° 54' East 250 feet from the point of beginning; thence South 89° 54' West a distance of 250.0 feet, more or less, to the point of beginning.

SAVING AND EXCEPTING THEREFROM a portion described as follows:

Beginning at the Section corner common to Sections 33 and 34, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, and Sections 3 and 4, Township 39 South, Range 9 East of the Willamette Meridian; thence South 0° 00' 30" East along the Section line 237.5 feet; thence North 89° 54' East 30 feet to the West line of Tract 43 of ENTERPRISE TRACTS, which is the East right of way line of Washburn Way, which is the true point of beginning; thence South 0° 00' 30" East along the West line of TRACT 43 OF ENTERPRISE TRACTS 325.0 feet to the Northeasterly right of way of Pershing Way; thence South 55° 50' 30" East along the Northeasterly right of way of Pershing Way 12.08 feet; thence North 0° 00' 30" West parallel to the West line of Tract 43, 331.80 feet; thence South 89° 54' West 10 feet to the point of beginning.

ALSO SAVING AND EXCEPTING THEREFROM a portion described as follows:

A tract of land situated in Tract 43 of ENTERPRISE TRACTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, being more particularly described as follows: Beginning at the section corner common to Sections 33 and 34 of Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon and Sections 3 and 4 of Township 39 South, Range 9 East of the Willamette Meridian; thence North 89° 54' East 40 feet; thence South 0° 00' 30" East 237.5 feet to the point of beginning; thence North 89° 54' East 240 feet; thence South 0° 00' 30" East 50 feet; thence South 89° 54' West 240 feet; thence North 0° 00' 30" West 50 feet to the point of beginning.

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