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BOOK 173 PAGE 725

FILED FOR RECORD
SKAMANIA CO. WASH
BY SKAMANIA CO. TITLE

FEB 25 3 25 PM '98
OLawry
AUDITOR
GARY H. OLSON

AFTER RECORDING MAIL TO:

Name Klickitat Valley Bank

Address PO Box 279

City/State White Salmon, Wa 98672

SC R 21414

Document Title(s): (or transactions contained therein)

1. Subordination Agreement - Mortgage
2.
3.
4.

Reference Number(s) of Documents assigned or released:
Recorded 7-8-94 in book 144, page 387
in Auditor File No. 119936 Skamania Co.
☒ Additional numbers on page 2 of document

First American Title Insurance Company

(this space for title company use only)

Grantor(s): (Last name first, then first name and initials)

1. Krall, Ray L
2. Krall, Alice F
3.
4.
5. ☐ Additional names on page ______ of document

Grantee(s): (Last name first, then first name and initials)

1. Klickitat Valley Bank, Beneficiary
2. Skamania County Title Company, Trustee
3.
4.
5. ☐ Additional names on page ______ of document

Registered
Indexed, Dir
Indirect
Filmed
Mailed

Abbreviated Legal Description as follows: (i.e. lot/block/plat or section/township/range/quarter/quarter)
A tract of land SE 1/4 NE 1/4 S20, T3N, R8E in Skamania County State of Washington.

☒ Complete legal description is on page 2 of document

Assessor's Property Tax Parcel / Account Number(s): 03-08-20-4-1-1000-00

NOTE: *The auditor/recorder will rely on the information on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein*

BOOK 173 PAGE 726

FILED FOR RECORD
SKAMANIA CO. WASH
BY SKAMANIA CO. TITLE
FEB 25 3 25 PM '98
P. Lowry
AUDITOR
GARY M. OLSON

RETURN ADDRESS:
KLICKITAT VALLEY BANK
390 NE TOHOMISH
PO BOX 279
WHITE SALMON, WA 98672

SEND TAX NOTICES TO:
KLICKITAT VALLEY BANK
390 NE TOHOMISH
PO BOX 279
WHITE SALMON, WA 98672

SC02.15484

SUBORDINATION AGREEMENT – MORTGAGE

Reference # (if applicable): 29351 Additional on page ____
Grantor(s):
1. KRALL, RAY L
2. KRALL, ALICE F

Grantee(s)/Assignee/Beneficiary:
KLICKITAT VALLEY BANK, Beneficiary
SKAMANIA COUNTY TITLE COMPANY, Trustee

Legal Description: A tract of land SE 1/4 NE 1/4 S20, T3N, R8E in Skamania County State of Washington Additional on page 2

Assessor's Tax Parcel ID#: 03-08-20-4-1-1000-00

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT dated February 6, 1998 is entered into among RAY L KRALL and ALICE F KRALL, husband and wife ("Borrower"), J B BRADSHAW AND BERNICE BRADSHAW ("Mortgagee") and KLICKITAT VALLEY BANK ("Lender").

SUBORDINATED INDEBTEDNESS. Mortgagee has extended the following described financial accommodations (the "Subordinated Indebtedness") to RAY L KRALL AND ALICE F KRALL ("Mortgagor"):

A NOTE IN THE SUME OF $31,535 OO DATED JULY 8, 1994 IN FAVOR OF J B BRADSHAW AND BERNICE BRADSHAW.

SUBORDINATED MORTGAGE. The Subordinated Indebtedness is secured by a mortgage dated 07-08-1994 from Mortgagor to Mortgagee (the "Subordinated Mortgage") recorded in SKAMANIA County, State of Washington as follows:

RECORDED JULY 8, 1994 IN BOOK 144, PAGE 387, IN AUDITOR FILE NO. 119936 SKAMANIA COUNTY MORTGAGE RECORDS

REAL PROPERTY DESCRIPTION. The Subordinated Mortgage covers the following described real property (the "Real Property") located in SKAMANIA County, State of Washington:

A tract of land in the Southeast Quarter of the Northeast Quarter and in the Northeast Quarter of the Southeast Quarter all in Section 20, Township 3 North, Range 8 East, in the County of Skamania, State of Washington, described as follows:

Beginning at the Southwest corner of the Northeast Quarter of the Northeast Quarter of said Section 20; thence South 65 rods; thence East 56 rods to the true point of beginning; thence East 24 rods; thence South 20 rods; thence West 24 rods; thence North 20 rods to the true point of beginning.

The Real Property or its address is commonly known as **511 METZGER RD, CARSON, WA 98610-0000.** The Real Property tax identification number is 03-08-20-4-1-1000-00.

REQUESTED FINANCIAL ACCOMMODATIONS. Borrower, who may or may not be the same person as Mortgagor, and Mortgagee each want Lender to provide financial accommodations to Borrower (the "Superior Indebtedness") in the form of (a) new credit or loan advances, (b) an extension of time to pay or other compromises regarding all or part of Borrower's present indebtedness to Lender, or (c) other benefits to Borrower. Now, therefore, Borrower and Now, therefore, Borrower and Mortgagee each represent and acknowledge to Lender that Mortgagee will benefit as a result of these financial accommodations from Lender to Borrower, and Mortgagee acknowledges receipt of valuable consideration for entering into this Agreement.

LENDER'S LIEN. As a condition to the granting of the requested financial accommodations, Lender has required that its mortgage or other lien on the Real Property ("Lender's Lien") be and remain superior to the Subordinated Mortgage.

NOW THEREFORE THE PARTIES TO THIS AGREEMENT HEREBY AGREE AS FOLLOWS:

SUBORDINATION. **The Subordinated Mortgage and the Subordinated Indebtedness secured thereby is hereby subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is hereby agreed that Lender's Lien shall be and remain, at all times, prior and superior to the lien of the Subordinated Mortgage. Mortgagee also subordinates to Lender's Lien all other Security Interests in the Real Property held by Mortgagee, whether now existing or hereafter acquired. The words "Security Interest" mean and include without limitation any type of collateral security, whether in the form of a lien, charge, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.**

MORTGAGEE'S REPRESENTATIONS AND WARRANTIES. Mortgagee represents and warrants to Lender that: (a) no representations or agreements of any kind have been made to Mortgagee which would limit or qualify in any way the terms of this Agreement; (b) this Agreement is executed at Borrower's request and not at the request of Lender; (c) Lender has made no representation to Mortgagee as to the creditworthiness of Borrower; and (d) Mortgagee has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Mortgagee agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Mortgagee's risks under this Agreement, and Mortgagee further agrees that Lender shall have no obligation to disclose to Mortgagee information or material acquired by Lender in the course of its relationship with Borrower.

MORTGAGEE'S WAIVERS. Mortgagee waives any right to require Lender: (a) to make, extend, renew, or modify any loan to Borrower or to grant any other financial accommodations to Borrower whatsoever; (b) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any Superior Indebtedness secured by Lender's Lien, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional indebtedness; (c) to resort for payment or to proceed directly or at once against any person, including Borrower; (d) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (e) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (f) to pursue any other remedy within Lender's power; or (g) to

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Loan No 29351 **(Continued)**

commit any act or omission of any kind, at any time, with respect to any matter whatsoever.

LENDER'S RIGHTS. Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Agreement. In particular, without limitation, Lender may, without notice of any kind to Mortgagee, (a) make one or more additional secured or unsecured loans to Borrower; (b) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part thereof, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (c) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (d) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (e) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (f) apply such security and direct the order or manner of sale thereof, as Lender in its discretion may determine; and (g) assign this Agreement in whole or in part.

DEFAULT BY BORROWER. If Borrower becomes insolvent or bankrupt, this Agreement shall remain in full force and effect. Any default by Borrower under the terms of the Subordinated Indebtedness also shall be a default under the terms of the Superior Indebtedness to Lender.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Applicable Law. This Agreement has been delivered to Lender and accepted by Lender in the State of Washington. If there is a lawsuit, Mortgagee and Borrower agree upon Lender's request to submit to the jurisdiction of the courts of KLICKITAT County, State of Washington. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. No provision contained in this Agreement shall be construed (a) as requiring Lender to grant to Borrower or to Mortgagee any financial assistance or other accommodations, or (b) as limiting or precluding Lender from the exercise of Lender's own judgment and discretion about amounts and times of payment in making loans or extending accommodations to Borrower.

Amendments. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless made in writing and signed by Lender, Borrower, and Mortgagee.

Attorneys' Fees; Expenses. Mortgagee and Borrower agree to pay upon demand all of Lender's costs and expenses, including attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Mortgagee and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Mortgagee and Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Successors. This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement, and the covenants of Borrower and Mortgagee herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

Waiver. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Mortgagee, shall constitute a waiver of any of Lender's rights or of any of Mortgagee's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

EACH PARTY TO THIS SUBORDINATION AGREEMENT - MORTGAGE ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH PARTY AGREES TO ITS TERMS.

BORROWER:

x Ray L Krall
RAY L KRALL

x Alice F. Krall
ALICE F KRALL

02-06-1998
Loan No 29351

SUBORDINATION AGREEMENT – MORTGAGE
(Continued)

MORTGAGEE:

X J B Bradshaw Bernice Bradshaw
J B BRADSHAW AND BERNICE BRADSHAW

LENDER:

KLICKITAT VALLEY BANK

By: Linda Creager
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) ss
COUNTY OF Klickitat)

On this day before me, the undersigned Notary Public, personally appeared RAY L KRALL and ALICE F KRALL, personally known to me or proved to me on the basis of satisfactory evidence to be the individuals described in and who executed the Subordination Agreement, and acknowledged that they signed the Agreement as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 6th day of February, 1998.

By Linda J Creager Residing at White Salmon

Notary Public in and for the State of Washington My commission expires 10-9-2000

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington)
) ss
COUNTY OF Walla Walla)

On this day before me, the undersigned Notary Public, personally appeared J B BRADSHAW AND BERNICE BRADSHAW, personally known to me or proved to me on the basis of satisfactory evidence to be the individual described in and who executed the Subordination Agreement, and acknowledged that he or she signed the Agreement as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 18th day of February, 1998.

By J. Oldridge Residing at Walla Walla

Notary Public in and for the State of Washington My commission expires 1/15/99