

MTC-21075P

SUBORDINATION AGREEMENT

THE PARTIES to this Agreement are Charles J. and Judith M. Burns ("Burns") and NEI Pension Investors Limited Partnership-IX ("NEI").

R E C I T A L S :

A. Burns are the vendors under a real estate contract dated December 22, 1986 recorded January 8, 1987 at Volume M87, page 309, Microfilm Records of Klamath County, Oregon. Jun I. Choo and Sun A. Choo are the vendees under said Contract. Helen M. Park ("Park") is the assignee of the vendees' interest in said Contract and has assumed said Contract. The real property (Property) which is the subject of said Contract is described in exhibit "A", attached hereto and by this reference incorporated herein.

B. Parks wishes to borrow \$105,000.00 from NEI and NEI wishes to loan said amount to Park, but only upon the condition that Burns subordinate the lien of the Contract to the lien of a trust deed (Trust Deed) to be executed by Park with NEI as beneficiary which Trust Deed would encumber the Property

Therefore, in consideration of NEI lending certain sums to Park, it is agreed as follows:

1. The lien of said Contract and the indebtedness owing Burns under said Contract together with any renewals or extensions thereof, shall be subordinated to and the same is hereby subordinated to the lien of the Trust Deed and the sums

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owing NEI by Park referred to above and any renewals, or extensions thereof.

2. This subordination shall remain in effect until the sums owing NEI have been fully paid and satisfied, together with interest thereon, including any renewals or extensions thereof. Burns do hereby sell, assign, transfer, set over, mortgage and convey to NEI any and all indebtedness of Park to Burns. Presentment, demand, protest and notice of protest or dishonor and diligence in collecting any indebtedness of Park to NEI are each and all waived. Any collateral or other security of Park which NEI may hold, or which may come to it or to its possession, may be released or otherwise dealt with by NEI in all respects and particulars as though this Agreement were not in existence, and the obligation of Burns hereunder shall be in no way affected thereby; Burns hereby waiving or foregoing any right in respect of any such action of NEI.

3. In the event that Parks shall be adjudged bankrupt or be unable to pay her debts as they mature, or a receiver or trustee be appointed therefor or for her assets, any and all moneys or dividends received in liquidation by reason of any such indebtedness from Parks to Burns shall be paid and turned over to NEI until all of the indebtedness and interest thereon, due and to become due to NEI from Parks, shall have been paid in full, and Burns shall not be entitled to receive any moneys or distribution for or on account of any claims of Burns against Parks unless and until all such indebtedness to NEI shall have been paid in full. Burns hereby agree to execute such further

documents, assignments of claims or take such other steps as may be necessary or proper to carry out the intent hereof.

4. Should NEI incur costs or attorneys fees, including any attorneys fees incurred on appeal, in interpreting or enforcing this Agreement Burns shall pay said sums to NEI upon demand and any court interpreting or enforcing this subordination shall grant NEI a judgment for said sums.

DATED this 28th day of March, 1989.

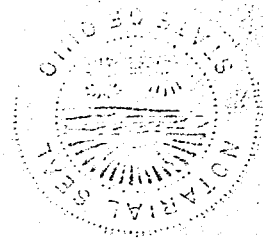
Charles J. Burns
Charles J. Burns

Judith M. Burns
Judith M. Burns

STATE OF OHIO

County of Allen)
) ss

Personally appeared the above named Charles J. Burns and Judith M. Burns and acknowledged the foregoing instrument to be their voluntary act and deed.



Jean E. French
Notary Public for OHIO
My commission expires: 5-10-93

JEAN E. FRENCH
Notary Public, State of Ohio
My Commission Expires May 10, 1993

jrs\10168001.D02

RETURN: MTC

Order No: 21075

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1

Lots 1, 2, 3, 4, 5, and 6 in Block 25 of ORIGINAL TOWN OF KLAMATH FALLS, (formerly Linkville), Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. Also that part of vacated Maple Alley adjoining Lot 6 in Block 25 of said Original Town of Klamath Falls (formerly Linkville), Oregon, and all that portion of Lot 1 of Block 26, said Original Town of Klamath Falls, (formerly Linkville), lying Easterly of Conger Avenue. EXCEPTING from the above described property that portion thereof conveyed by Edward A. Dunham, et ux, to the City of Klamath Falls, Oregon, by deed recorded on page 107 of Volume 123 of Deeds, Records of Klamath County, Oregon.

Lot 7 in Block 25 of Original Town of Linkville (now Klamath Falls), and that portion of vacated Maple Alley adjacent to said Lot 7 on the West and that portion of Lot 4, Block 26, Original Town of Linkville (now Klamath Falls) lying between said portion of vacated Maple Alley and the Easterly line of Conger Street, according to the duly recorded plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

SAVING AND EXCEPTING from the above described property all that portion thereof conveyed to the State of Oregon by Deed recorded on page 193 of Volume 283 of Deeds, Records of Klamath County, Oregon.

ALSO all that portion of South one-half of vacated Pine Street adjoining the above described property.

PARCEL 2

Lots 8 and 9 in Block 25 of ORIGINAL TOWN OF LINKVILLE (now Klamath Falls, Oregon), according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

EXCEPTING that part in Deed Book 283, page 193

Tax Account No: 3809 032CA 01700
3809 032CA 01600

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 7th day
of April A.D., 19 89 at 12:01 o'clock P.M., and duly recorded in Vol. M89
of Mortgages on Page 5887.

FEE \$23.00

Evelyn Biehn County Clerk

By Pauline Miller