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MTC 36458

Vol. 1995 Page 35537

## AGREEMENT TO SUBORDINATE RIGHT TO CONSTRUCTION LIEN

This agreement is made this 28th day of December, 1995, between John W. Morris, dba JWM Company and Lewis Hanson & Company, Inc., Trustee for Claridge Loan.

## RECITALS:

A. Joyce Carlene Claridge, aka Joyce C. Claridge, owns the property described in Exhibit "A" and has made arrangements to borrow the funds from Lewis Hanson & Company, Inc., Trustee.

B. Trustee proposes to loan \$100,000.00 secured by a trust deed in the form set forth in Exhibit "A".

C. Morris has entered into a contract with Claridge for construction of water lines, sewer lines, a roadway and paving which benefit the property described in Exhibit "A" and other property.

D. The water, sewer lines and subgrade for the roadway have been installed. Installation of the finished grade and paving will be completed by Morris when weather permits in the spring and summer of 1996.

E. Morris has agreed to subordinate his right to a construction lien, if such rights arise to the trust deed held by Lewis Hanson & Company, Inc..

## AGREEMENT:

The parties agree:

1.

In consideration of the advance of funds by Trustee to

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Claridge, Morris hereby agrees that any claim of right to a construction lien, and the priority of the lien itself, shall at all times be subordinate and inferior to the trust deed granted by Claridge to Trustee on the properties described in Exhibit "A".

2.

Morris acknowledges that the trust deed attached as Exhibit "A" has not been recorded as of the time this agreement is signed and that this subordination shall apply to sums due for all work done both prior and subsequent to the recording date of the trust deed.

3.

Morris represents and warrants that he has entered into a contract with Claridge for completion of the improvements and that the contract remains in full force and effect and is not delinquent at the time this document is executed.

4.

In consideration of this subordination agreement, and upon compliance with all loan conditions and requirements of borrower, Trustee agrees to advance funds in accord with the terms of its loan agreement with Claridge.

John W. Morris, dba  
JWM Company

By John W. Morris  
John W. Morris

Address: 1401 56th Avenue  
Paterson, NJ 07236  
Telephone: 661 5700

Lewis Hanson and Company,  
Inc., Trustee for Claridge  
Loan

By Tony Lewis  
Tony Lewis, President  
P.O. Box 766  
Albany, OR 97321  
Telephone: 541-928-2500

STATE OF OREGON )

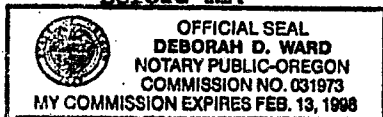
) ss.

County of Multnomah )

Date:

Personally appeared the above named John W. Morris, dba JWM Company and acknowledged the foregoing instrument to be his voluntary act and deed.

Before me:



*Deborah D. Ward*  
 Notary Public for Oregon  
 My Commission Expires: 2/13/98

STATE OF OREGON )

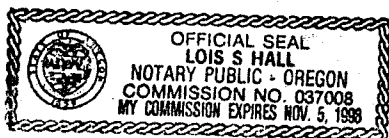
) ss.

County of Linn )

Date: 12/28/95

Personally appeared Tony Lewis who, being duly sworn did say that he is the president of Lewis Hanson and Company, Inc. and that said instrument was signed in behalf of said corporation by authority of its board of directors; and he acknowledged said instrument to be its voluntary act and deed.

Before me:



*Lois S. Hall*  
 Notary Public for Oregon  
 My commission expires: 11-5-98

EXHIBIT "A"  
LEGAL DESCRIPTION

PARCEL 1:

Lots 38 through 43 inclusive of CREGAN PARK, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

PARCEL 2:

Lots 45, 46, 47, 50, 51, 86 and 87 of CREGAN PARK, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co the 29th day  
of Dec A.D., 19 95 at 11:43 o'clock A M., and duly recorded in Vol. 195,  
of Construction Lien on Page 35537

FEE \$20.00

Bernetha G. Letsch, County Clerk

By [Signature]