

NS

32678
SUBORDINATION AGREEMENT

MTC 40428 Vol. M97 Page 4163

STATE OF OREGON,
County of _____ } ss.
I certify that the within instrument
was received for record on the ____ day
of _____, 19____, at
_____ o'clock ____ M., and recorded in
book/reel/volume No. _____ on page
_____ and/or as fee/file/instru-
ment/microfilm/reception No. _____,
Records of said County.

SPACE RESERVED
FOR
RECORDER'S USE

Witness my hand and seal of County
affixed.
By _____, Deputy.

After recording, return to (Name, Address, Zip):
Klamath County Title Co
422 Main Street
Klamath Falls OR 97601

FEB 10 10:33:45 97

THIS AGREEMENT made and entered into this 27 day of January, 1997,
by and between KLAMATH COUNTY/PURE PROJECT
hereinafter called the first party, and KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION
hereinafter called the second party, WITNESSETH:

On or about October 4, 1993, STEVEN AND JULIE MCRIDE
being the owner of the following described property in KLAMATH County, Oregon, to-wit:

Lot 13, ANKENY GARDEN TRACTS, according to the official plat, thereof
on file in the office of the County Clerk of Klamath County, Oregon.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE)

executed and delivered to the first party a certain Note & Trust Deed
(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 \$ 2,515.00, which lien was:

- Recorded on October 8, 1993, in the Records of Klamath County, Oregon, in book/reel/volume No. M93 at page 26224 and/or as fee/file/instrument/microfilm/reception No. _____ (indicate which);
- Filed on _____, 19____, in the office of the _____ of _____ County, Oregon, where it bears fee/file/instrument/microfilm/reception No. _____ (indicate which);
- Created by a security agreement, notice of which was given by the filing on _____, 19____, of a financing statement in the office of the Oregon Secretary of State Dept. of Motor Vehicles (indicate which) where it bears file No. _____ and in the office of the _____ of _____ County, Oregon, where it bears fee/file/instrument/microfilm/reception No. _____ (indicate which).

(Deletes any language not pertinent to this transaction)

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 \$ 52,500.00 to the present owner of the property, with interest thereon at a rate not exceeding 7.5% per annum. This loan is to be secured by the present owner's Note and Trust Deed (hereinafter called

the second party's lien) upon the property and is to be repaid not more than 286 months XXXXX years (indicate which) from its date.

(OVER)

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 _____ 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.

By _____
KLAMATH COUNTY TITLE COMPANY, a Subsidiary of
FIRST AMERICAN TITLE COMPANY, as agent for
KLAMATH COUNTY/PURE PROJECT

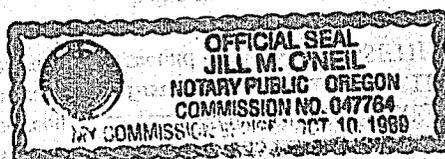
By Trudie Durant
President

STATE OF OREGON, County of Klamath) ss.
This instrument was acknowledged before me on _____, 19____,

by _____
This instrument was acknowledged before me on January 27, 1997,

by Trudie Durant
as President
of Klamath County Title Company, a Subsidiary of First American Title Co.

Jill M. O'Neil
Notary Public for Oregon
My commission expires 10/10/99



STATE OF OREGON : COUNTY OF KLAMATH: _____ ss.
Filed for record at request of Amerititle the 10th day
of February A.D., 1997 at 3:45 o'clock P. M., and duly recorded in Vol. M97
of Mortgages on Page 4163
FEE \$15.00 by Bernetha G. Letsch, County Clerk
Kathleen Rose