

IN

33229

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THIS AGREEMENT, Made and entered into this 30th day of January, 1991, by and between LILLIAN WATAH, CASSIE ILENE WATAH and STEVEN JAMES WATAH hereinafter called the first party, and JAMES FAMILY TRUST U.A.D. JUNE 21, 1993 CECIL JAMES and MILDRED hereinafter called the second party, WITNESSETH:

On or about September 4, 1996, DONALD RIESCH and MARGARET RIESCH, Husband and wife, being the owner of the following described property in Klamath County, Oregon, to-wit:

Parcel 1: Lot 19, Block 2, JUNIPER ACRES, in the County of Klamath, State of Oregon. CODE 229 MAP 3510-35CO TL 700

Parcel 2: Lot 20, Block 2, JUNIPER ACRES, in the County of Klamath, State of Oregon. CODE 229 MAP 3510-35CO TL 800

THE PURPOSE OF THIS SUBORDINATION AGREEMENT IS TO CORRECT THE LIEN PRIORITY OF THE TWO TRUST DEEDS MENTIONED HEREIN.

SUBORDINATION

executed and delivered to the first party his certain Trust Deed (State whether mortgage, trust deed, contract, security agreement or otherwise)

(herein called the first party's lien) on said described property to secure the sum of \$32,500.00, which lien was Recorded on September 4, 1996, in the Microfilm Records of Klamath County, Oregon, in book/entry volume No. M-96 at page 27652 thereof or as document/fee/instrument/microfilm No. 24302 (indicate which);

Filed on 19, in the office of the of County, Oregon, where it bears the document/fee/file/instrument/microfilm 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 Department of Motor Vehicles where it bears file No. and in the office of the of County, Oregon, where it bears the document/fee/file/instrument/microfilm No. (indicate which).

Reference to the document so recorded or filed hereby is made. The first party has never sold or assigned his said 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 has loaned the sum of \$33,000.00 to the present owner of the property above described, with interest thereon at a rate not exceeding 15.0% per annum, said loan to be secured by the said present owner's Trust Deed (hereinafter called the

(State nature of lien to be given, whether mortgage, trust deed, contract, security agreement or otherwise)

second party's lien) upon said property and to be repaid within not more than 5 years from its date.

To induce the second party to make the loan last mentioned, the first party heretofore has agreed and consented to subordinate first party's said 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, for himself, his personal representatives (or successors) and assigns, hereby covenants, consents and agrees to and with the second party, his personal representatives (or successors) and assigns, that the said first party's lien on said described property is and shall always be subject and subordinate to the lien about to be delivered to the second party, as aforesaid, and that second party's said lien in all respects shall be first, prior and superior to that of the first party; provided always, however, that if second party's said lien is not duly filed or recorded or an appropriate financing statement thereon 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 said lien, except as hereinabove expressly set forth.

In construing this subordination agreement and where the context so requires, the singular includes the plural; the masculine includes the feminine and the neuter, and all grammatical changes shall be supplied to cause this agreement to apply to corporations as well as to individuals.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal; if the undersigned is a corporation, it has caused its corporate name to be signed and its corporate seal to be affixed hereunto by its officers duly authorized thereunto by order of its board of directors, all on this, the day and year first above written.

Lillian Watah
LILLIAN WATAH
Steven James Watah by Lillian Watah
STEVEN JAMES WATAH, By Lillian Watah his Power
of Attorney in Fact
Cassie Ilene Watah
CASSIE ILENE WATAH

5275



STATE OF OREGON,

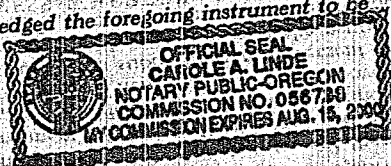
County of Klamath

February 21

1997

Personally appeared the above named LILLIAN WATAHand acknowledged the foregoing instrument to be HER voluntary act and deed. Before me:

(SEAL)



Notary Public for Oregon.

My commission expires August 15, 2000.

STATE OF OREGON,

County of _____

Personally appeared _____

who being duly sworn, did say that he is the _____

of _____
 a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation
 and that said instrument was signed and sealed on 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:

(SEAL)

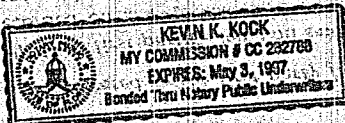
Notary Public for Oregon.

My commission expires _____

February 14, 1997

State of Florida
 County of Columbia

Personally appeared the above named Cassie Ilene Watah
 and acknowledged the foregoing instrument to be her voluntary act and deed,
 Before me:



Florida Notary Public.

My commission expires 5/3/97.

SUBORDINATION
AGREEMENT

THE FOLLOWING INSTRUMENT IS TO BE SUBORDINATED TO THE INSTRUMENT HEREIN REFERRED TO.

CODE 350-100-010-000

TO

CODE 350-100-010-000

PLACES IN THE "STACKS"

AFTER RECORDING RETURN TO

Person to Person Mortgage
 339 Main
 Klamath Falls, OR
 97601
 Attn: Art Mills

DON'T USE THIS
 SPACE! RESERVED
 FOR RECORDING
 LABEL IN COUN-
 TIES WHERE
 USED.)

STATE OF OREGON,

County of _____

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

Witness my hand and seal of
 County affixed.

NAME

TITLE

By Art Mills Deputy

"This Notary Certificate is prepared on a separate page and is attached to the document entitled Subordination Agreement containing two (2) pages and is attached by means of staple."

STATE OF OREGON)

) ss

County of Klamath)

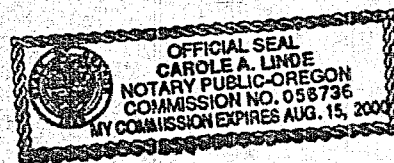
The foregoing instrument was acknowledged before me this 21st day of February, 1997, by Lillian Watah as attorney in fact for Steven James Watah, on behalf of said principal.

Before me:

Carole A. Linde

Notary Public for Oregon

My commission expires: August 15, 2000.



This instrument is being recorded as an accommodation only, and has not been examined as to validity, sufficiency or effect it may have upon the herein described property. This courtesy recording has been requested of ASPEN TITLE & ESCROW, INC.

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Lillian Watah
of February A.D., 19 97 at 3:58 o'clock

of Mortgages

the 21st day
P. M., and duly recorded in Vol. M97
on Page 5274

Bernetha G. Letsch, County Clerk

by

Kathleen Rose

FEE \$15.00