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97 JUN 25 P3 03

Vol. M97 Page 19749

USDA-FmHA
Form FmHA 460-2
(Rev. 9/88)

Position 1 - Chattel Security
Position 2 - Real Estate Security

SUBORDINATION BY THE GOVERNMENT

The United States of America acting through the Administrator of the Farmers Home Administration (called the "Government") is the owner and holder of the following-described instrument(s) executed by JAMES C. LEE and JANICE M. LEE, husband and wife of KLAMATH County, State of OREGON

Deed of Trust Date of Instrument Date Filed Office Filed Document File or Book No. Page No.
06-04-1993 06-07-1993 KLAMATH COUNTY, OREGON, DOC #K-45278
MORTGAGE RECORDS Vol. M93 pp.13038-13041

KLAMATH FIRST FEDERAL AND SAVINGS & LOAN ASSN. (called the "Lender") has agreed to loan \$ 20,000.00 to BRADLEY A. SANDERS ~~XXX~~ an unmarried man

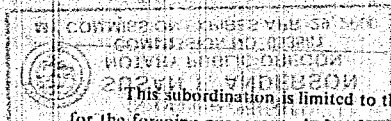
(called the "Borrower") for the following purposes:

to purchase the home at 3018 Bryant Street, Klamath Falls, Oregon.

THEREFORE, in consideration the Lender's agreement to make such loan to Borrower, the Government (1) consents to the Borrower obtaining the loan from the Lender for such purposes, and (2) agree to and does subordinate in favor of the Lender and its successors and assigns its liens or security interests created or evidenced by the above-described instrument(s) insofar as they cover the following-described property and provided the Lender perfects a lien on that property:

LOT 2 IN BLOCK 1, TRACT 1137 MEADOWGLEN, ACCORDING TO THE OFFICIAL PLAT THEREOF, CN FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

Property known as 3018 Bryant Street, Klamath Falls, Oregon.



This subordination is limited to the amount actually loaned by the Lender to the Borrower (principal and accrued interest) for the foregoing purposes and also the amount actually advanced for foreclosure costs and other advances made or to be made by the Lender, for a total limitation not to exceed \$ 20,000.00. Any amount which is in excess of this figure will not be covered by this subordination unless prior written consent was obtained from the Government for incurring the expenditure in question. The Lender must incorporate into the borrower's note a statement that the loan will be in default should any proceeds of the loan funds obtained as a result of this subordination be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as explained in Exhibit M of Subpart G of Part 1940 of Title 7 of the Code of Federal Regulations.

WHEREVER "AMERICA" IS SUBSTITUTED =

IN WITNESS WHEREOF, The United States of America has caused this subordination to be signed on the 23rd day of June, 19 97, pursuant to the delegated authority published in 7 CFR Part 1900, Subpart A.

WITNESS: _____

UNITED STATES OF AMERICA,

BY JAY DeLAPP

TITLE Community Development Manager
~~National Rural Development~~ RURAL DEVELOPMENT
U.S. Department of Agriculture.

*(NOTE TO LENDER: You are advised to obtain a perfected security interest on the above property. When the indebtedness has been satisfied please mark this form "PAID IN FULL" and return it to the Farmers Home Administration at the following address: 1101 ELLEN AVENUE, MEDFORD, OR 97501)

RETURN TO:

19750

STATE OF OREGONCOUNTY OF JACKSON

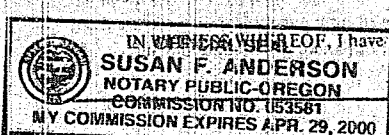
ss:

ACKNOWLEDGMENT

On this 23rd day of June, 1997, before me, the subscriber, aNotary Publicin and for the above county and State, appeared
Community Development Manager,
Rural DevelopmentJay DeLapp

known to me to be

Farmers Home Administration, United States Department of Agriculture, and the person who executed the foregoing instrument, and he/she acknowledged to me that he/she executed the same as the free act and deed of the United States of America, for the uses and purposes mentioned in it.

Medford, Oregon

the day and year listed above.

Susan F. Anderson
SUSAN F. ANDERSON
 Notary Public for Oregon

(Signature)

(Title)

My commission expires

04-29-2000

(To be filled in if certifying officer is a notary public)

STATE OF OREGON: COUNTY OF KLAMATH: ss.

 Filed for record at request of Klamath County Title the 25th day
 of June A.D., 1997 at 3:03 o'clock P.M., and duly recorded in Vol. M97
 of Mortgages on Page 19749

FEE \$15.00

 Ely Bernetha G. Letsch, County Clerk
Kathleen Roca