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98 MAR 25 AM 1:36 Vol. M98 Page 9607

SUBORDINATION AGREEMENT

The Klamath Tribes Housing Auth.
 905 Main Street
 Klamath Falls, OR 97601

To
 The Associates Financial Services Co.
 2047 Washburn Way
 Klamath Falls, OR 97603

After recording, return to (Name, Address, Zip):
 The Associates Financial Services
 2047 Washburn Way
 Klamath Falls, OR 97603

SPACE RESERVED FOR RECORDER'S USE

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/instrument/microfilm/reception No. _____, Records of said County.

Witness my hand and seal of County affixed.

By: _____ NAME _____ TITLE _____, Deputy.

MTC44012-KA

THIS AGREEMENT made and entered into this 23 day of March, 1998, by and between The Klamath Tribes Housing hereinafter called the first party, and The Associates Financial Services Company hereinafter called the second party, WITNESSETH:
 On or about March 18, 1997, Guy E. Powless and Sabrina D. Powless, being the owner of the following described property in Klamath County, Oregon, to-wit:

SEE ATTACHED EXHIBIT "A"

The instrument was duly recorded pursuant to the provisions of ORS 93.010, 93.020, 93.030, 93.040, 93.050, 93.060, 93.070, 93.080, 93.090, 93.100, 93.110, 93.120, 93.130, 93.140, 93.150, 93.160, 93.170, 93.180, 93.190, 93.200, 93.210, 93.220, 93.230, 93.240, 93.250, 93.260, 93.270, 93.280, 93.290, 93.300, 93.310, 93.320, 93.330, 93.340, 93.350, 93.360, 93.370, 93.380, 93.390, 93.400, 93.410, 93.420, 93.430, 93.440, 93.450, 93.460, 93.470, 93.480, 93.490, 93.500, 93.510, 93.520, 93.530, 93.540, 93.550, 93.560, 93.570, 93.580, 93.590, 93.600, 93.610, 93.620, 93.630, 93.640, 93.650, 93.660, 93.670, 93.680, 93.690, 93.700, 93.710, 93.720, 93.730, 93.740, 93.750, 93.760, 93.770, 93.780, 93.790, 93.800, 93.810, 93.820, 93.830, 93.840, 93.850, 93.860, 93.870, 93.880, 93.890, 93.900, 93.910, 93.920, 93.930, 93.940, 93.950, 93.960, 93.970, 93.980, 93.990, 94.000, 94.010, 94.020, 94.030, 94.040, 94.050, 94.060, 94.070, 94.080, 94.090, 94.100, 94.110, 94.120, 94.130, 94.140, 94.150, 94.160, 94.170, 94.180, 94.190, 94.200, 94.210, 94.220, 94.230, 94.240, 94.250, 94.260, 94.270, 94.280, 94.290, 94.300, 94.310, 94.320, 94.330, 94.340, 94.350, 94.360, 94.370, 94.380, 94.390, 94.400, 94.410, 94.420, 94.430, 94.440, 94.450, 94.460, 94.470, 94.480, 94.490, 94.500, 94.510, 94.520, 94.530, 94.540, 94.550, 94.560, 94.570, 94.580, 94.590, 94.600, 94.610, 94.620, 94.630, 94.640, 94.650, 94.660, 94.670, 94.680, 94.690, 94.700, 94.710, 94.720, 94.730, 94.740, 94.750, 94.760, 94.770, 94.780, 94.790, 94.800, 94.810, 94.820, 94.830, 94.840, 94.850, 94.860, 94.870, 94.880, 94.890, 94.900, 94.910, 94.920, 94.930, 94.940, 94.950, 94.960, 94.970, 94.980, 94.990, 95.000, 95.010, 95.020, 95.030, 95.040, 95.050, 95.060, 95.070, 95.080, 95.090, 95.100, 95.110, 95.120, 95.130, 95.140, 95.150, 95.160, 95.170, 95.180, 95.190, 95.200, 95.210, 95.220, 95.230, 95.240, 95.250, 95.260, 95.270, 95.280, 95.290, 95.300, 95.310, 95.320, 95.330, 95.340, 95.350, 95.360, 95.370, 95.380, 95.390, 95.400, 95.410, 95.420, 95.430, 95.440, 95.450, 95.460, 95.470, 95.480, 95.490, 95.500, 95.510, 95.520, 95.530, 95.540, 95.550, 95.560, 95.570, 95.580, 95.590, 95.600, 95.610, 95.620, 95.630, 95.640, 95.650, 95.660, 95.670, 95.680, 95.690, 95.700, 95.710, 95.720, 95.730, 95.740, 95.750, 95.760, 95.770, 95.780, 95.790, 95.800, 95.810, 95.820, 95.830, 95.840, 95.850, 95.860, 95.870, 95.880, 95.890, 95.900, 95.910, 95.920, 95.930, 95.940, 95.950, 95.960, 95.970, 95.980, 95.990, 96.000, 96.010, 96.020, 96.030, 96.040, 96.050, 96.060, 96.070, 96.080, 96.090, 96.100, 96.110, 96.120, 96.130, 96.140, 96.150, 96.160, 96.170, 96.180, 96.190, 96.200, 96.210, 96.220, 96.230, 96.240, 96.250, 96.260, 96.270, 96.280, 96.290, 96.300, 96.310, 96.320, 96.330, 96.340, 96.350, 96.360, 96.370, 96.380, 96.390, 96.400, 96.410, 96.420, 96.430, 96.440, 96.450, 96.460, 96.470, 96.480, 96.490, 96.500, 96.510, 96.520, 96.530, 96.540, 96.550, 96.560, 96.570, 96.580, 96.590, 96.600, 96.610, 96.620, 96.630, 96.640, 96.650, 96.660, 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97.920, 97.930, 97.940, 97.950, 97.960, 97.970, 97.980, 97.990, 98.000, 98.010, 98.020, 98.030, 98.040, 98.050, 98.060, 98.070, 98.080, 98.090, 98.100, 98.110, 98.120, 98.130, 98.140, 98.150, 98.160, 98.170, 98.180, 98.190, 98.200, 98.210, 98.220, 98.230, 98.240, 98.250, 98.260, 98.270, 98.280, 98.290, 98.300, 98.310, 98.320, 98.330, 98.340, 98.350, 98.360, 98.370, 98.380, 98.390, 98.400, 98.410, 98.420, 98.430, 98.440, 98.450, 98.460, 98.470, 98.480, 98.490, 98.500, 98.510, 98.520, 98.530, 98.540, 98.550, 98.560, 98.570, 98.580, 98.590, 98.600, 98.610, 98.620, 98.630, 98.640, 98.650, 98.660, 98.670, 98.680, 98.690, 98.700, 98.710, 98.720, 98.730, 98.740, 98.750, 98.760, 98.770, 98.780, 98.790, 98.800, 98.810, 98.820, 98.830, 98.840, 98.850, 98.860, 98.870, 98.880, 98.890, 98.900, 98.910, 98.920, 98.930, 98.940, 98.950, 98.960, 98.970, 98.980, 98.990, 99.000, 99.010, 99.020, 99.030, 99.040, 99.050, 99.060, 99.070, 99.080, 99.090, 99.100, 99.110, 99.120, 99.130, 99.140, 99.150, 99.160, 99.170, 99.180, 99.190, 99.200, 99.210, 99.220, 99.230, 99.240, 99.250, 99.260, 99.270, 99.280, 99.290, 99.300, 99.310, 99.320, 99.330, 99.340, 99.350, 99.360, 99.370, 99.380, 99.390, 99.400, 99.410, 99.420, 99.430, 99.440, 99.450, 99.460, 99.470, 99.480, 99.490, 99.500, 99.510, 99.520, 99.530, 99.540, 99.550, 99.560, 99.570, 99.580, 99.590, 99.600, 99.610, 99.620, 99.630, 99.640, 99.650, 99.660, 99.670, 99.680, 99.690, 99.700, 99.710, 99.720, 99.730, 99.740, 99.750, 99.760, 99.770, 99.780, 99.790, 99.800, 99.810, 99.820, 99.830, 99.840, 99.850, 99.860, 99.870, 99.880, 99.890, 99.900, 99.910, 99.920, 99.930, 99.940, 99.950, 99.960, 99.970, 99.980, 99.990, 100.000, 100.010, 100.020, 100.030, 100.040, 100.050, 100.060, 100.070, 100.080, 100.090, 100.100, 100.110, 100.120, 100.130, 100.140, 100.150, 100.160, 100.170, 100.180, 100.190, 100.200, 100.210, 100.220, 100.230, 100.240, 100.250, 100.260, 100.270, 100.280, 100.290, 100.300, 100.310, 100.320, 100.330, 100.340, 100.350, 100.360, 100.370, 100.380, 100.390, 100.400, 100.410, 100.420, 100.430, 100.440, 100.450, 100.460, 100.470, 100.480, 100.490, 100.500, 100.510, 100.520, 100.530, 100.540, 100.550, 100.560, 100.570, 100.580, 100.590, 100.600, 100.610, 100.620, 100.630, 100.640, 100.650, 100.660, 100.670, 100.680, 100.690, 100.700, 100.710, 100.720, 100.730, 100.740, 100.750, 100.760, 100.770, 100.780, 100.790, 100.800, 100.810, 100.820, 100.830, 100.840, 100.850, 100.860, 100.870, 100.880, 100.890, 100.900, 100.910, 100.920, 100.930, 100.940, 100.950, 100.960, 100.970, 100.980, 100.990, 101.000, 101.010, 101.020, 101.030, 101.040, 101.050, 101.060, 101.070, 101.080, 101.090, 101.100, 101.110, 101.120, 101.130, 101.140, 101.150, 101.160, 101.170, 101.180, 101.190, 101.200, 101.210, 101.220, 101.230, 101.240, 101.250, 101.260, 101.270, 101.280, 101.290, 101.300, 101.310, 101.320, 101.330, 101.340, 101.350, 101.360, 101.370, 101.380, 101.390, 101.400, 101.410, 101.420, 101.430, 101.440, 101.450, 101.460, 101.470, 101.480, 101.490, 101.500, 101.510, 101.520, 101.530, 101.540, 101.550, 101.560, 101.570, 101.580, 101.590, 101.600, 101.610, 101.620, 101.630, 101.640, 101.650, 101.660, 101.670, 101.680, 101.690, 101.700, 101.710, 101.720, 101.730, 101.740, 101.750, 101.760, 101.770, 101.780, 101.790, 101.800, 101.810, 101.820, 101.830, 101.840, 101.850, 101.860, 101.870, 101.880, 101.890, 101.900, 101.910, 101.920, 101.930, 101.940, 101.950, 101.960, 101.970, 101.980, 101.990, 102.000, 102.010, 102.020, 102.030, 102.040, 102.050, 102.060, 102.070, 102.080, 102.090, 102.100, 102.110, 102.120, 102.130, 102.140, 102.150, 102.160, 102.170, 102.180, 102.190, 102.200, 102.210, 102.220, 102.230, 102.240, 102.250, 102.260, 102.270, 102.280, 102.290, 102.300, 102.310, 102.320, 102.330, 102.340, 102.350, 102.360, 102.370, 102.380, 102.390, 102.400, 102.410, 102.420, 102.430, 102.440, 102.450, 102.460, 102.470, 102.480, 102.490, 102.500, 102.510, 102.520, 102.530, 102.540, 102.550, 102.560, 102.570, 102.580, 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104.810, 104.820, 104.830, 104.840, 104.850, 104.860, 104.870, 104.880, 104.890, 104.900, 104.910, 104.920, 104.930, 104.940, 104.950, 104.960, 104.970, 104.980, 104.990, 105.000, 105.010, 105.020, 105.030, 105.040, 105.050, 105.060, 105.070, 105.080, 105.090, 105.100, 105.110, 105.120, 105.130, 105.140, 105.150, 105.160, 105.170, 105.180, 105.190, 105.200, 105.210, 105.220, 105.230, 105.240, 105.250, 105.260, 105.270, 105.280, 105.290, 105.300, 105.310, 105.320, 105.330, 105.340, 105.350, 105.360, 105.370, 105.380, 105.390, 105.400, 105.410, 105.420, 105.430, 105.440, 105.450, 105.460, 105.470, 105.480, 105.490, 105.500, 105.510, 105.520, 105.530, 105.540, 105.550, 105.560, 105.570, 105.580, 105.590, 105.600, 105.610, 105.620, 105.630, 105.640, 105.650, 105.660, 105.670, 105.680, 105.690, 105.700, 105.710, 105.720, 105.730, 105.740, 105.750, 105.760, 105.770, 105.780, 105.790, 105.800, 105.810, 105.820, 105.830, 105.840, 105.850, 105.860, 105.870, 105.880, 105.890, 105.900, 105.910, 105.920, 105.930, 105.940, 105.950, 105.960, 105.970, 105.980, 105.990, 106.000, 106.010, 106.020, 106.030, 106.040, 106.050, 106.060, 106.070, 106.080, 106.090, 106.100, 106.110, 106.120, 106.130, 106.140, 106.150, 106.160, 106.170, 106.180, 106.190, 106.200, 106.210, 106.220, 106.230, 106.240, 106.250, 106.260, 106.270, 106.280, 106.290, 106.300, 106.310, 106.320, 106.330, 106.340, 106.350, 106.360, 106.370, 106.380, 106.390, 106.4



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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 30 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.

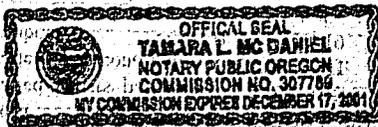
The Klamath Tribes Housing formerly known as
The Klamath Tribes Housing Authority

by: *[Signature]*

STATE OF OREGON, County of Klamath ss.
This instrument was acknowledged before me on March 23, 1998

by Madrosto W. Jimenez
This instrument was acknowledged before me on March 23, 1998
as of Klamath Tribes Housing

[Signature]
Notary Public for Oregon
My commission expires 12/17/01



STATE OF OREGON, County of _____
This instrument was acknowledged before me on _____, _____, 19____
by _____
This instrument was acknowledged before me on _____, _____, 19____
as _____
of _____

[Faint, mostly illegible text and markings, possibly bleed-through or a second page's content.]

NOTARIAL PUBLIC AGREEMENT

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EXHIBIT 'A'
LEGAL DESCRIPTION

PARCEL I:

Lot 6 in Block 67 of LAKEVIEW ADDITION to the City of Klamath Falls, Oregon, according to the official plat thereof on file in Klamath County, Oregon; and the Northerly 15 feet of Lot 5, Block 67 of LAKEVIEW ADDITION to the City of Klamath Falls, Oregon.

PARCEL II:

A portion of vacated Harriman Street between Blocks 66 and 67 of LAKEVIEW ADDITION to the City of Klamath Falls, Klamath County, Oregon, more particularly described as follows: Beginning at the Northwest corner of said Block 67; Thence South along the West line of said Block 67 a distance of 65 feet; Thence West a distance of 40 feet to the centerline of said Harriman Street; Thence North along said centerline a distance of 65 feet to a point; Thence East a distance of 40 feet to the point of beginning.

EXCEPTING THEREFROM a tract of land situated in vacated Harriman Street, adjacent to Block 67 of "LAKEVIEW ADDITION to Klamath Falls", in the NE1/4 NW1/4 of Section 29, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows.

Beginning at the point of intersection of the Southerly right of way line of Lytton Street and the center line of vacated Harriman Street from which the Northwest corner of said Block 67 bears East 40.00 feet; thence South 00 degrees 26' 03" West, along said vacated center line, 65.00 feet; thence East 12.00 feet; thence North 00 degrees 26' 03" East 65.00 feet to a point on said Southerly right of way line, thence West 12.00 feet to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 25th day
of March A.D., 19 98 at 11:36 o'clock A M., and duly recorded in Vol. M98
of Mortgages on Page 9607.

FEE \$20.00

By Kathleen Ross
Bernetha G. Letsch, County Clerk