

WHEREAS, First Party has delivered to Second Party a Mortgage upon said real property securing a note in the sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) recorded on June 5, 1964, in Vol. 223, at Page 511, Mortgage Records of Klamath County, Oregon, and

WHEREAS, First Party desires to subdivide said land and to sell various lots comprising said real property to the public in general, and for the protection of such public desires to assure the vendees of a deed upon the payment by them of the respective purchase price in full, and

WHEREAS, Second Party is agreeable to make such release therefrom of any lot upon which the purchase price has been paid, regardless of the actual receipt by him of the release consideration as set forth in the mortgage, to-wit: \$50.00 for each acre or fraction thereof of the parcel to be released, and

WHEREAS, the terms, covenants and conditions are agreeable to each and all of the parties hereto;

NOW, THEREFORE, it is mutually covenanted and agreed as follows:

The Mortgagee and the Mortgagor agree that notwithstanding any provision in the mortgage, or herein to the contrary, the lien of the mortgage shall be subordinate to the rights of any person purchasing a lot in said subdivision under an executory contract of sale, and agree to release the lien of said mortgage from such lot on completion of the payments called for in such purchase contract.

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LAW OFFICES
KATZ, GRANOF & MAIDEN
8008 WILSHIRE BOULEVARD
BEVERLY HILLS, CALIFORNIA
OLYMPIA 8-8262
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IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the date first above written.

KLAMATH FOREST ESTATES, UNIT No. 4
BY LAKE & STREAM DEVELOPMENT CORP.

By Arthur W. Sandberg

By Richard P. Sandberg

BY MEADOW LAKE DEVELOPMENT CORP.

By Bernard S. Schuman

By John S. Schuman

First Party

Gerald Chase
GERALD CHASE

Second Party

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