

SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS, That JERRY L. STEPHENS and PATRICIA ANN STEPHENS, husband and wife, and AENA ROSS, a single woman, the owners and holders of that certain mortgage bearing date the 10th day of November, 1934, executed by EDWIN REZENDES and ROSA REZENDES, husband and wife, to secure payment of the sum of SIXTY-ONE THOUSAND SEVEN HUNDRED TWENTY-NINE DOLLARS and THIRTY-EIGHT CENTS (\$61,729.38) and interest, and recorded November 10, 1934, in Mortgage Volume 227, at page 134, records of Klamath County, State of Oregon, in consideration of ONE DOLLAR (\$1.00) and other valuable consideration, hereby consent and agree that the lien of said mortgage shall be subordinate and subject to a perpetual easement granted or to be granted by the owner or owners of the land referred to herein to the PORTLAND GENERAL ELECTRIC COMPANY, for the purpose of constructing, operating, and maintaining one or more electric transmission lines over, upon, and across the following-described lands in the County of Klamath, State of Oregon, to-wit:

Tract No. 71-7-2

The easterly 150 feet of the following described 300 foot strip of land:

That portion of the $W\ 1/2\ 34\ 1/4$, the $NE\ 1/4\ 34\ 1/4$ and $SW\ 1/4$ of Section 24, the $N\ 1/2\ 34\ 1/4$ of Section 25, the $E\ 1/2\ 34\ 1/4$, and $SE\ 1/4\ 34\ 1/4$ of Section 26, Township 36 South, Range 12 East, Willamette Meridian, Klamath County, Oregon, which lies within a strip of land 300 feet in width, the boundaries of said strip lying 75 feet distant westerly from, and 225 feet distant easterly from, and parallel with, the survey line for the "G. Garneville Power Administration's Grizzly-Mulm transmission line, as now located and staked on the ground over, across, upon, and/or adjacent to and above described property, said survey line being particularly described as follows:

Beginning, at survey station 7201+37.1, a point in the north line of Section 24, Township 36 South, Range 12 East, Willamette Meridian, said point being $S. 87^{\circ}01'30''E.$, a distance of 407.0 feet from the quarter section corner in said north line; thence, $S. 27^{\circ}11'40''W.$, a distance of 130.3 feet, to survey station 7240+30.3, a point in the line common to Sections 24 and 25, said Township and Range, said point being $S. 87^{\circ}24'50''E.$, a distance of 525.9 feet from the northwest corner of said Section 25; thence, continuing, $S. 27^{\circ}11'40''W.$, a distance of 203.4 feet, to survey station 7242+42.0; thence, $S. 22^{\circ}30'31''W.$, a distance of 371.3 feet, to survey station 7247+17.3, a point in the line common to Sections 25 and 36, said Township and Range, said point being $S. 27^{\circ}13'00''E.$, a distance of 271.3 feet from the quarter section corner in said common line.

Tract No. 71-7-3

The easterly 150 feet of the following described 300 foot strip of land:

That portion of $SE\ 1/4\ 34\ 1/4$ of Section 24, Township 36 South, Range 12 East, Willamette Meridian, Klamath County, Oregon, which

29

7117

lies within a strip of land 300 feet in width, the boundaries of said strip lying 75 feet distant westerly from, and 225 feet distant easterly from, and parallel with, the survey line for the U.S. Bonneville Power Administration's Grizzly-Malin transmission line, as now located and staked on the ground over, across, upon, and/or adjacent to the above described property, said survey line being particularly described as follows:

Beginning at survey station T184+7.1, a point in the north line of Section 28, Township 37 South, Range 12 East, Willamette Meridian, said point being $S. 89^{\circ} 51' 10'' E.$, a distance of 147.1 feet from the quarter section corner in said north line; thence, $S. 27^{\circ} 11' 40'' E.$, a distance of 221.5 feet, to survey station T284+36.3, a point in the line common to Sections 28 and 29, said Township and Range, said point being $S. 10^{\circ} 24' 10'' E.$, a distance of 221.5 feet from the southwest corner of said Section 28.

Tract No. 21-67 The easterly 150 feet of the following described 300 foot strip of land:

This portion of the $S. 1/4$, $S. 21/4$, $S. 22/4$ of Section 3, Township 37 South, Range 12 East, Willamette Meridian, Elmore County, Oregon, which lies within a strip of land 300 feet in width, the boundaries of said strip lying 75 feet distant westerly from, and 225 feet distant easterly from, and parallel with, the survey line for the U.S. Bonneville Power Administration's Grizzly-Malin transmission line, as now located and staked on the ground over, across, upon, and/or adjacent to the above described property, said survey line being particularly described as follows:

Beginning at survey station T184+7.1, a point in the north line of Section 31, Township 37 South, Range 12 East, Willamette Meridian, said point being $S. 2^{\circ} 11' 10'' E.$, a distance of 147.1 feet from the quarter section corner in said north line; thence, $S. 22^{\circ} 11' 40'' E.$, a distance of 221.5 feet, to survey station T284+36.3, a point in the line common to Sections 31 and 32, said Township and Range, said point being $S. 10^{\circ} 24' 10'' E.$, a distance of 221.5 feet from the southwest corner of said Section 31.

Tract No. 21-67

The easterly 150 feet of the following described 300 foot strip of land:

This portion of Government Land 3 and 4, and $S. 1/4$, $S. 21/4$, $S. 22/4$ of Section 2, Township 37 South, Range 12 East, Willamette Meridian, Elmore County, Oregon, which lies within a strip of land 300 feet in width, the boundaries of said strip lying 75 feet distant westerly from, and 225 feet distant easterly from, and parallel with, the survey line for the U.S. Bonneville Power Administration's Grizzly-Malin transmission line, as now located and staked on the ground over, across, upon, and/or adjacent to the above described property, said survey line being particularly described as follows:

Beginning at survey station T184+7.1, a point in the north line of Section 2, Township 37 South, Range 12 East, Willamette Meridian, said point being $S. 89^{\circ} 51' 10'' E.$, a distance of 147.1 feet from the northwest corner of said Section 2; thence, $S. 27^{\circ} 11' 40'' E.$, a distance of 221.2 feet, to survey station T211+15.3, a point in the line common to Sections 2 and 19, said Township and Range, said point being $N. 27^{\circ} 15' 20'' E.$, a distance of 141.5 feet from the southeast corner of said Section 3.

7118

Said perpetual easement is being conveyed to the Portland General Electric Company by EDWIN REZENDES and ROSA REZENDES, husband and wife, in accordance with the terms of an option contract dated June 22, 1955.

The undersigned hereby waive the priority of said mortgage in favor of said perpetual easement to the same extent as if an easement deed had been executed, delivered, and recorded prior to the mortgage hereinabove described, and agree that in the event of foreclosure of said mortgage the premises shall be sold subject to the aforementioned easement.

Except as herein specifically subordinated, all property described in said mortgage is to remain subject thereto.

This agreement shall be binding on the heirs, administrators or assigns of the holder of said mortgage and shall inure to the benefit of the PORTLAND GENERAL ELECTRIC COMPANY and its assigns.

IN WITNESS WHEREOF, we have hereunto set our hands this 8 day of

June, 1955.

Jerry L. Stephens
Jerry L. Stephens

Patricia Ann Stephens
Patricia Ann Stephens

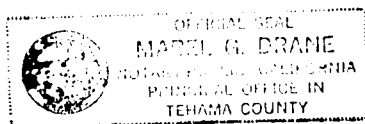
Renee Ross
Renee Ross

(City of)
STATE OF OREGON)
Salem) ss.
County of Clatsop)

On the 8 day of June, 1955, personally came before me, a notary public in and for said County and State, the within-said Jerry L. Stephens and Patricia Ann Stephens, to be personally known to me the identical persons described in and who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed, and that they are therein bound.

GIVEN under my hand and official seal the day and year last above written.

W. L. V. Hume
Notary Public for Oregon
My Commission Expires Dec. 27, 1967

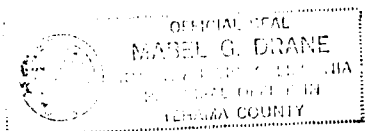


STATE OF CALIFORNIA)
COUNTY OF Tehama) ss.

7119

On the 8 day of June, 1966, personally came before me, a notary public in and for said County and State, the within-named Rena Ross to me personally known to be the identical person described in and who executed the within and foregoing instrument and acknowledged to me that she executed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal the day and year last above written.



Mabel G. Drane
Notary Public for Oregon & California

My commission expires: My Commission Expires Dec. 27, 1967

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Oregon Title Insurance Co. _____
this 13 day of July, 1966, at 6:25 o'clock P. M., and
duly recorded in Vol. 11-66, of Mortgage _____ on Page 1116

Fee \$6.00

DOROTHY ROGERS, County Clerk
By Jane [Signature]