40778 MTC 4520 Vol. M 11 Page 24737

FLB Loan No. 171514-8

MORTGAGE SUBORDINATION AGREEMENT

1. Klamath Production Credit Association referred to herein as "subordinator", is the owner and holder of a mortgage dated January 30, 1976, which is recorded in volume M76 of Mortgages, page 2150, under file No. _____, records of Klamath County, State of ORegon.

2. The Federal Land Bank of Spokane referred to herein as "lender", is the owner and holder of a mortgage dated November 8, 1977, executed by BIAGGI AND VENABLE, a Partnership (which is recorded in volume M77 of Mortgages, page 24565, under file No. 40678 _____, records of Klamath County, State of Oregon.) (which is to be recorded concurrently herewith.)

3. BIAGGI AND VENABLE, a Partnership referred to herein as "owner", is the owner of all the real property described in the mortgage identified above in Paragraph 2.

4. In consideration of benefits to "subordinator" from "owner", receipt and sufficiency of which is hereby acknowledged, and to induce "lender" to advance funds under its mortgage and all agreements in connection therewith, the "subordinator" does hereby unconditionally subordinate the lien of his mortgage identified in Paragraph 1 above to the lien of "lender's" mortgage, identified in Paragraph 2 above, and all advances or charges made or accruing thereunder, including any extension or renewal thereof. It is agreed that "subordinator's" mortgage identified in Paragraph 1 above is, by virtue of such subordination, second and junior in its lien position to that mortgage of "lender" identified in Paragraph 2 above.

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5. "Subordinator" acknowledges that, prior to the execution hereof, he has had the opportunity to examine the terms of "lender's" mortgage, note and agreements relating thereto, consents to and approves same, and recognizes that "lender" has no obligation to "subordinator" to advance any funds under its mortgage or see to the application of "lender's" mortgage funds, and any application or use of such funds for purposes other than those provided for in such mortgage, note or agreements shall not defeat the subordination herein made in whole or in part.

6. It is understood that "lender" would not make the loan secured by the mortgage in Paragraph 2 without this agreement.

7. The heirs, administrators, assigns and successors in interest of the "subordinator" shall be bound by this agreement. Where the word "mortgage" appears herein it shall be considered as "deed of trust", and gender and number of pronouns considered to conform to undersigned.

Executed this 21st day of December, 1977.

Please return to:
Federal Land Bank
900 Klamath
K. Falls, Oregon

KLAMATH PRODUCTION CREDIT ASSOCIATION

Sec-Treas. Subordinator

STATE OF ORegon)
: ss.
County of Klamath)

On December 21, 1977, before me personally appeared DON W. Krider

to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that (he)~~(she)(they)~~ executed the same as (his)(~~her~~)(~~their~~) free act and deed.

Carol Childers
Notary Public
My commission expires 1-18-78

FORM A

24737 A

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Mountain Title Co.

this 22nd day of December A. D. 19 77 at 10:25 o'clock A M., and duly recorded in Vol. M77, of Mortgages on Page 24737A

Wm D. MILNE, County Clerk

By Bernetha H. Getsch

Fee $6.00