

THIS AGREEMENT, Made and entered into this 7 day of July, 1982, by and between Pacific Power and Light Company, hereinafter called the first party, and Klamath First Federal Savings and Loan, hereinafter called the second party; WITNESSETH: On or about January 14, 1981, Janet R. Pierce and Calvin E. Pierce, being the owner of the following described property in Klamath County, Oregon, to-wit:

See Exhibit "A" Attached Hereto:

Executed and delivered to the first party his certain Insulation Cost Repayment Agreement and Mortgage (herein called the first party's lien) on said described property to secure the sum of \$1363.77, which lien was Recorded on June 19, 1981, in the real prop Records of Klamath County, Oregon, in Book No. M 81 at page 11052 thereof or as microfilm (indicate which); Filed on _____, 19____, in the office of the _____ County, Oregon, where it bears the document/fee/file/instrument/microfilm No. _____ (indicate which); Created by a security agreement, notice of which was given by the filing on _____, 19____, of a financing statement in the office of the Oregon Secretary of State and in the office of the Department of Motor Vehicles where it bears file No. _____ of _____ County, Oregon, where it bears the document/fee/file/instrument/microfilm No. _____ (indicate which). Reference to the document so recorded or filed hereby is made. The first party has never sold or assigned his said lien and at all times since the date thereof has been and now is the owner and holder thereof and the debt thereby secured. The second party is about to loan the sum of \$10,000.00 to the present owner of the property above described, with interest thereon at a rate not exceeding 18.50% per annum, said loan to be secured by the said present owner's Deed of Trust (hereinafter called the second party's lien) upon said property and to be repaid within not more than 20 years from its date.

To induce the second party to make the loan last mentioned, the first party heretofore has agreed and consented to subordinate first party's said 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, for himself, his personal representatives (or successors) and assigns, hereby covenants, consents and agrees to and with the second party, his personal representatives (or successors) and assigns, that the said first party's lien on said described property is and shall always be subject and subordinate to the lien about to be delivered to the second party, as aforesaid, and that second party's said lien in all respects shall be first, prior and superior to that of the first party; provided always, however, that if second party's said lien is not duly filed or recorded or an appropriate financing statement thereon duly filed within _____ 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 said lien, except as hereinabove expressly set forth.

In construing this subordination agreement and where the context so requires, the singular includes the plural; the masculine includes the feminine and the neuter, and all grammatical changes shall be supplied to cause this agreement to apply to corporations as well as to individuals. IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal; if the undersigned is a corporation, it has caused its corporate name to be signed and its corporate seal to be affixed hereunto by its officers duly authorized thereunto by order of its board of directors, all on this, the day and year first above written.

Pacific Power and Light Co.

VP Vice President

STATE OF OREGON,

County of _____

SS.

11765

, 19

Personally appeared the above named _____

and acknowledged the foregoing instrument to be _____ voluntary act and deed. Before me:

(SEAL)

Notary Public for Oregon.

My commission expires _____

STATE OF OREGON,

County of Multnomah

SS.

July 9, 1982

Personally appeared _____

who being duly sworn, did say that he is the _____

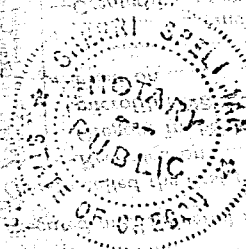
of Pacific Power & Light Co.

a corporation and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged said instrument to be its voluntary act and deed. Before me.

(SEAL)

Notary Public for Oregon.

My commission expires 9-14-1984



SUBORDINATION AGREEMENT

TO _____

AFTER RECORDING RETURN TO

Klamath First Federal
540 main
Klamath Falls

(DON'T USE THIS SPACE; RESERVED FOR RECORDING LABEL IN COUNTIES WHERE USED.)

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 _____ or as document/fee/tile/instrument/microfilm No. _____ Record of _____ of said County.

Witness my hand and seal of County affixed.

NAME

TITLE

By _____

Deputy

DESCRIPTION

The NE $\frac{1}{4}$ (also described as the S $\frac{1}{2}$ of the NE $\frac{1}{4}$ and Lots 1 and 2) of Section 3, Township 40 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM the following described tract of land situated in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 3, Township 40 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows: Beginning at the Northeast corner of said Section 3; thence South 89° 54' 58" West along the North line of said Section 3, said line also being the centerline of Old Midland Road, 1857.24 feet; thence South 00° 05' 02" East 30.00 feet to a $\frac{1}{2}$ inch iron pin on the Southerly right of way line of said Old Midland Road; thence South 00° 05' 02" East 108.14 feet, to a $\frac{1}{2}$ inch iron pin; thence South 35° 07' 04" West 100.08 feet to a $\frac{1}{2}$ inch iron pin; thence South 16° 46' 10" West 460.58 feet to a $\frac{1}{2}$ inch iron pin in an existing fence; thence North 88° 56' 03" East, generally along said existing fence and its extension, 1760.99 feet to the Northeasterly right of way line of the U.S.B.R. No. 3 drain; thence Southerly along said Northeasterly right of way line to its intersection with the East line of said Section 3, said line also being the centerline of Spring Lake Road; thence North 00° 07' 00" West to the point of beginning.

SAVING AND EXCEPTING any portion lying within the boundaries of Old Midland Road, and Spring Lake Road.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record

This 7 day of Sept A.D. 19 82 at 2:46 o'clock P.M., and
duly recorded in Vol. M82, of Mtge on Page 11764

Fee \$12.00

EVELYN BIENN, County Clk.

By *Joyce McShane*