



This agreement, made and entered into this 29th day of January 1987 by and between C P NATIONAL CORPORATION, hereinafter called the first party, and KLAMATH FIRST FEDERAL SAVINGS & LOAN, hereinafter called the second party; WITNESSETH:

On or about August 2 1986, Lloyd & C/O Cone, being the owner of the following described property in KLAMATH County, Oregon, to wit:

LOTS 11 & 12, BLOCK 1, Riverview Addition to Klamath Falls, Klamath County, Oregon.

Executed and delivered to the first party his EQUIPMENT MORTGAGE /RETAIL INSTALLMENT AGREEMENT, (Herein called first party's lien), on said described property to secure the sum of \$ 2,226.00, which lien was recorded on December 17 1986, in the records of Klamath County, Oregon on Page 23379, Volume m86, Book MORTGAGES.

Reference to the document so recorded is hereby made. The first party has not sold or assigned his said lien and at all times since the date thereof has been and remains the holder thereof and the debt secured.

The second party is about to loan the sum of \$ 30,000 to the present owner of the property above described, with interest thereon at a rate not to exceed 9 1/2 % per annum, said loan to be secured by the said present owners Trust Deed (herein after called the second party's lien), upon said property and to be repaid within not more than 15 years from its date.

To allow the second party to make the loan last mentioned, the first party has heretofore 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.

Therefore, for the purpose of allowing the second party to make the loan aforesaid, C P NATIONAL CORPORATION assigns, hereby covenants, consents and agrees to and with the second party, his personal representative (or successors) and assigns, that the 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, and that second party's proposed lien shall be first, prior and superior to that of the first party; provided allways, however, that if second party's said lien is not duly filed or recorded, within 30 days after the date thereof, 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 lien retained by C P NATIONAL CORPORATION, except as herein expressly set forth.

In construing this subordination agreement and where the context so requires, the singular applies to 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;

Richard R. Wolf
ASST. VICE-PRESIDENT C P NATIONAL CORPORATION

STATE OF OREGON)

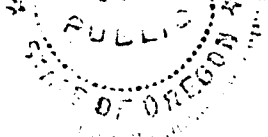
ss.

County of Jackson) February 4, 1987

Personally appeared the above named Richard R. Wolf, Assistant Vice-President for C P National Corporation, who acknowledged the foregoing instrument to be a voluntary act and deed.

Deborah A. Harris
NOTARY PUBLIC FOR OREGON

My commission expires April 8, 1988



Rt KFFS/L
2001 P.O. Box 5270

1906
JUL 11

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 5th day
of February A.D., 19 87 at 4:13 o'clock P. M., and duly recorded in Vol. M87
of Mortgages on Page 1905

Evelyn Biehn County Clerk

FEE \$9.00

By

Suzetha A. Lewis