

SUBORDINATION OF LEASE

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77689

LET ALL KNOW BY THESE PRESENTS, that TOWN & COUNTRY CURL & TAN

_____, (as Tenant) entered into
a lease with WAGGONER PLAZA, a Limited Partnership, whose interest has been assigned to

Clyde A. Collins and Linda J. Collins, (as Landlord),

dated September 11, 1991 covering the premises described in Exhibit A.

United States National Bank of Oregon ("Lender") has agreed to make a loan of \$ Nine Hundred Twenty-six
Thousand and No/100 Dollars (\$926,000.00) to Landlord secured by a Deed of Trust,
which Deed of Trust also secures any future advances made by Lender, provided said Lease is subordinate to the lien of the Deed
of Trust. Tenant hereby agrees that the Lease and any extensions, renewals, replacements or modifications thereof, and all right,
title and interest of Tenant in the leased premises, are and shall be subordinate to the Deed of Trust and any number of renewals,
modifications, replacements, consolidations, and extensions thereof.

Executed this 24th day of January, 1994.

TOWN & COUNTRY CURL & TAN

By: Joanne M. McClurg

Its: Owner

STATE OF OREGON)

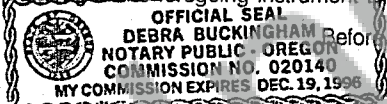
) ss.

County of Klamath)

January 24, 1994

Personally appeared the above named Joanne M. McClurg

and acknowledged the foregoing instrument to be her voluntary act.



Before me:

Debora Buckingham

Notary Public for Oregon

My commission expires: 12-19-96

STATE OF OREGON)

) ss.

County of _____)

_____, 19____

Personally appeared _____, who, being duly sworn, stated that _____ he
is a partner of _____ and that the foregoing instrument
was signed on behalf of said partnership by authority thereof; and _____ he acknowledged said instrument to be its voluntary
act and deed.

Before me:

Notary Public for Oregon

My commission expires: _____

STATE OF OREGON)

) ss.

County of _____)

_____, 19____

Personally appeared _____ who, being duly sworn, stated that _____ he
is the _____ of the corporation that executed this instrument
and that said instrument was voluntarily signed on behalf of the corporation by authority of its Board of Directors, and _____ he
acknowledged said instrument to be its voluntary act and deed.

Before me:

Notary Public for Oregon

My commission expires: _____

EXHIBIT "A"
LEGAL DESCRIPTION

8173

PARCEL 1

A portion of the NE1/4 SE1/4 of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at an iron pin on the South right of way line of South Sixth Street as presently located and constructed, which bears South 0 degrees 22' 15" East a distance of 48.5 feet from the Northwest corner of said NE1/4 SE1/4; thence Easterly, along said right of way line a distance of 142.5 feet to a point; thence South at right angles to said right of way line a distance of 460.0 feet to a point; thence West, parallel to said right of way line a distance of 142.5 feet, more or less, to the West line of said NE1/4 SE1/4; thence North along said West line a distance of 460.0 feet to the point of beginning.

PARCEL 2

A tract of land situated in the NE1/4 SE1/4 of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 1/2 inch iron pin which bears South 89 degrees 52' West a distance of 745.73 feet and South 0 degrees 20' 55" East a distance of 220.16 feet from the brass cap monument marking the East quarter corner of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, said beginning point also being on the South line of tract described as Parcel #1 in Deed from Klamath County School District to Klamath County, recorded in Volume 295 at page 135, Deed Records of Klamath County, Oregon; thence continuing from said beginning point South 0 degrees 20' 55" East along a line parallel to and 4.0 feet distant Easterly, when measured at right angles to, from the existing Easterly wall of the Payless Drug Store Building as the same is presently located and constructed, a distance of 402.04 feet to a 1/2 inch iron pipe; thence South 53 degrees 42' 15" West a distance of 304.44 feet, more or less, to a 1/2 inch iron pipe on the Northeasterly boundary of the O. C. & E. Railroad right of way as the same is presently located and constructed, and from which point the aforesaid monument marking the East quarter corner of said Section 3 bears North 50 degrees 50' 20" East a distance of 1273.34 feet; thence Northwesterly along said Northeasterly boundary of the O. C. & E. Railroad right of way a distance of 299.5 feet, more or less, to the West line of said NE1/4 SE1/4; thence North along said West line a distance of 186.5 feet, more or less, to a point on said West line which bears South 0 degrees 22' 15" East a distance of 460.0 feet from the Southerly boundary line of the relocated right of way of the Klamath Falls-Lakeview Highway; thence easterly, parallel with said highway right of way line a distance of 142.5 feet to a point; thence North, parallel with the West line of said NE1/4 SE1/4, a distance of 460.0 feet, more or less, to the Southerly boundary of said relocated highway right of way; thence Easterly along said relocated right of way line a distance of 387.7 feet, more or less, to a point which bears North 0 degrees 20' 55" West from the point of beginning; thence South 0 degrees 20' 55" East a distance of 174.66 feet, more or less, to the point of beginning.

PARCEL 3

A parcel of land lying in the NE1/4 SE1/4 of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point which bears South 01 degrees 14' East a distance of 55.03 feet and South 89 degrees 14' West a distance of 580.0 feet from the quarter section corner common to Sections 2 and 3, said Township and Range, said point being on the South right of way line of South Sixth Street as presently located and constructed; thence continuing South 89 degrees 14' West along said South right of way line a distance of 129.4 feet to the Northwest corner of this description; thence South 0 degrees 18' East a distance of 137.0 feet to an iron pin; thence North 89 degrees 14' East a distance of 131.9 feet to an iron pin; thence North 01 degrees 14' West a distance of 137.0 feet, more or less, to the point of beginning, EXCEPTING a strip of land 8 feet wide running North and South on the West side of said parcel reserved for sidewalk purposes.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co the 17th day
of March A.D., 19 94 at 1:20 o'clock P.M., and duly recorded in Vol. M94
of Mortgages on Page 8172.

FEE \$15.00

Evelyn Biehn County Clerk

By Pauline M. Williams