

After recording return to:
FCS-Klamath Falls
P.O. Box 148
Klamath Falls, OR 97601

Customer/Note No. 40639-441

MTC 44443- KA
SUBORDINATION AGREEMENT

PARTIES AND INTERESTS.

Subordinator: Sierra Cascade Nursery, Inc.
472-715 Johnson Rd.
Susanville, CA 96130

Subordinator's Interest: Unrecorded lease dated February 24, 1998, between Mike Russell and Donna Russell as Lessor and Sierra Cascade Nursery, Inc., as Lessee; unrecorded lease dated September 28, 1994, between Sierra Cascade Nursery, Inc., as Lessee. and Agricultural Resources, an Oregon Limited Partnership, as Lessor

Subordinatee: Northwest Farm Credit Services, ACA
1700 South Assembly Street
P.O. Box 2515
Spokane, WA 99220-2515

Subordinatee's Interest: Deed of Trust dated June 10, 1998, and recorded on July 7, 1998, as Instrument No. 61557 records of Klamath County, Oregon.

Subordinatee's Note: Note, executed by Borrower or Borrower's successor, dated June 10, 1998, in the principal amount of \$107,000.00, and any amendments thereto, secured by Subordinatee's Interest.

Borrower: Michael B. Russell and Donna J. Russell, husband and wife

AGREEMENT.

The property described in the above-referenced instruments creating Subordinatee's Interest is referred to as the "Property."

For good and valuable consideration, Subordinator subordinates its interest in the Property to Subordinatee's Interest and all advances or charges, if any, made or accruing under Subordinatee's Note, if any. This subordination also includes any extension, refinancing, reindexing, renewal, or renegotiation of Subordinatee's Note, if any.

Subordinator acknowledges the opportunity to examine the terms of the documents pertaining to Subordinatee's Interest.

The heirs, personal representatives, successors and assigns of Subordinator shall be bound by this Agreement. This Agreement shall inure to the benefit of Subordinatee and its personal representatives, successors and assigns.

Dated: 6/23/98

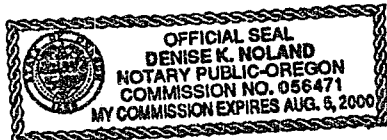
Sierra Cascade Nursery, Inc.

By: [Signature]
Randy Jertberg, President

Attest: [Signature]
Laura Jertberg, Secretary

STATE OF Oregon)
) ss.
 County of Klamath)

On this 23 day of June, 1998, before me personally appeared Randy Jertberg and Laura Jertberg, known to me to be the President and Secretary, respectively, of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and each on oath stated that he was authorized to execute said instrument.



Denise K. Noland
 Notary Public for the State of Oregon
 Residing at Klamath Falls
 My commission expires August 5, 2000

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 7th day
 of July A.D., 19 98 at 11:05 o'clock A.M., and duly recorded in Vol. M98,
 of Mortgages on Page 23840.

FEE \$15.00

Bernetha G. Letsch, County Clerk
 By Kathleen Ross