

27406



To induce the second party to make the loan last mentioned, the first party has agreed and consented to subordinate first party's 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, on behalf of the first party and also on behalf of the first party's personal representatives, successors, and assigns, hereby covenants, consents and agrees to and with the second party and second party's personal representatives, successors, and assigns, that the first party's lien on the property is and shall always be subject and subordinate to the lien about to be delivered to the second party as aforesaid, and that the second party's lien in all respects shall be first, prior and superior to that of the first party, provided always, however, that if the second party's lien is not duly filed or recorded, or an appropriate financing statement with respect thereto duly filed within 30 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 lien, except as hereinabove expressly set forth.

In construing this subordination agreement, and where the context so requires, the singular includes the plural, and all grammatical changes shall be made so that this agreement shall apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the undersigned has executed this agreement. If the undersigned is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

Bob Forest Loans and

Bob Forest Loans and Investments

Robert S. Forrest

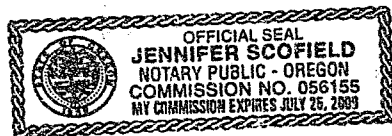
STATE OF OREGON,

County of Jackson ss.

FORM No. 23—ACKNOWLEDGMENT.
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BE IT REMEMBERED, That on this 24 day of July, 1998, before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared the within named Robert S. Forrest

known to me to be the identical individual..... described in and who executed the within instrument and acknowledged to me that he executed the same freely and voluntarily.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Jennifer Scofield
Notary Public for Oregon
My commission expires 7-25-00

EXHIBIT "A"
LEGAL DESCRIPTION

27407

A portion of the SE1/4 of the SW1/4 of Section 22, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the quarter section corner common to Sections 22 and 27, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon; thence West along said Section line 160 feet to a steel rod, which is the true point of beginning of the tract herein described; thence North 23 degrees 55' West 359.06 feet to a steel rod on the South boundary of the Old Fort Road; thence South 80 degrees 30' West 713 feet, more or less, to a steel rod on the angle corner on the South boundary of the Old Fort Road; thence South 43 degrees West to the Section line between Sections 22 and 27, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon; thence East along said Section line to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle
of July A.D., 19 98 at 11:51 o'clock A. M., and duly recorded in Vol. M98
of Mortgages on Page 27405

FEE \$20.00

By Bernetha G. Letsch County Clerk
Kathleen Rose