

After recording return to: Farm Credit Services
PO Box 148
Klamath Falls, OR 97601

Customer/Note No. 7275-201/302/303

MTC 45439
SUBORDINATION AGREEMENT

PARTIES AND INTERESTS.

Subordinator: Northwest Farm Credit Services, ACA
By assignment from AgAmerica, FCB, successor in interest to The Federal Land
Bank of Spokane/Farm Credit Bank of Spokane

Subordinator's Interest:

- 1.) Mortgage dated September 17, 1993, recorded October 28, 1993 in Book M93, Page 28431, Records of Klamath County, Oregon.
- 2.) Mortgage dated September 17, 1993, recorded October 28, 1993 in Book M93, Page 28437, Records of Klamath County, Oregon.
- 3.) Financing Statement recorded March 14, 1997, in Book M97, Page 7565, Records of Klamath County, Oregon

Subordinatee: Northwest Farm Credit Services, ACA
Klamath Falls Branch
PO Box 148
Klamath Falls, OR 97601

Subordinatee's Interest:

Mortgage dated August 26, 1998, recorded Oct. 9 in Book
No. M98, Page No. 37158, as Instrument No. 167643,
records of Klamath County, State of Oregon.

Subordinatee's Note:

- 1.) Note, executed by Borrower or Borrower's successor, dated January 27, 1977, in the principal amount owing as of August 1, 1998 of \$102,757.30, and any amendments thereto, secured by Subordinatee's Interest.
- 2.) Note, executed by Borrower or Borrower's successor, dated July 23, 1979, in the principal amount owing as of August 1, 1998 of \$168,192.52, and any amendments thereto, secured by Subordinatee's Interest.
- 3.) Note, executed by Borrower or Borrower's successor, dated August 6, 1980, in the principal amount owing as of August 1, 1998 of \$142,135.00, and any amendments thereto, secured by Subordinatee's Interest.

Borrower: Rodney R. Lyon and Marie M. Lyon

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.

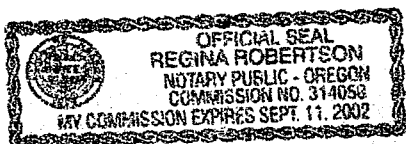
Dated: 10-6-98

Northwest Farm Credit Services, ACA

By: Stephen H. Revis
Authorized Agent

State of Oregon)
) ss.
County of Klamath)

On October 6, 1998, before me personally appeared Stephen D. Revis, known to me to be an authorized agent 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 on oath stated that he/she was authorized to execute said instrument.



Regina Robertson

Notary Public for the State of Oregon
Residing at Klamath Falls, OR.
My commission expires 9-11-2002

STATE OF OREGON: COUNTY OF KLAMATH : ss.

Filed for record at request of Amerititle the 9th day
of October A.D., 19 98 at 11:23 o'clock A.M., and duly recorded in Vol. M98
of Mortgages on Page 37160

FEE \$15.00

By Bernetha G. Letsch, County Clerk
Kathleen Rose