

SUBORDINATION AGREEMENT

Return original to AmeriTitle, 300 Klamath Ave, Klamath Falls, OR 97601

New Second Mortgagee:

Equity Trust Company, Custodian FBO Allan L. Craigmiles IRA (as to 26.1%), Robert and Evelyn Edgar (as to 38.5%), Stewart Revocable Living Trust dated 10-20-2006 (as to 20.0%) and Walter C. and Sharon D. Badorek (as to 15.4%) P. O. Box 7441, Klamath Falls, OR 97602.

Third Mortgagee:

Tower Shopping Center, LLC, now by succession Cindy L. Balin, P. O. Box 7309, Klamath Falls, OR 97603.

THIS AGREEMENT dated August 21, 2014 by and between Equity Trust Company Custodian FBO Allan L. Craigmiles IRA (as to 26.1%), Robert and Evelyn Edgar (as to 38.5%), Stewart Revocable Living Trust dated 10-20-2006 (as to 20.0%) and Walter C. and Sharon D. Badorek (as to 15.4%), all hereinafter called "**the new second mortgagee**" and Tower Shopping Center, LLC, an Oregon Limited Liability Company now by succession Cindy L. Balin, hereinafter called "**the third mortgagee,**"

WITNESSETH:

On or about August 21, 2014 the owner of the described real property, Tower Shopping Center of Klamath Falls, LLC, an Oregon Limited Liability Company will execute a note and mortgage to the new second mortgagee in the amount of \$650,000 (hereinafter "new loan") with interest at 5% per annum with a 20-year amortization schedule to: 1] pay in full the existing second mortgage on the property to Annetta R. Skillington with an unpaid principal balance of approximately \$622,000, 2] pay the costs related to the new loan, and 3] provide cash to the owner to make repairs to the real property. In order to make this new loan the new second mortgagee requires that the third mortgagee, as shown above, whose lien is now subordinate to the Annetta R. Skillington loan shown above, subordinate their lien position to the new loan so that the new loan has lien priority over the existing third mortgagee lien and is in second lien position on the real property.

In order to induce the new second mortgagee, shown above, to make the new loan described above, the third mortgagee described above has agreed and consented to subordinate their respective lien position to the second mortgagee's lien for the new loan about to be taken as described herein. The third mortgage was recorded 8/19/2008, volume 2008, Page 011779, in the microfilm records of Klamath County, Oregon.

NOW THEREFORE, for value received, and for the purpose of inducing the new second mortgagee to make the new loan as described, the third mortgagee, and on behalf of the third

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Subordination Agreement

Tower Shopping Center of Klamath Falls, LLC, owner

(Craigmiles, et al, new second mortgagee, Balin third mortgagee)

mortgagee's personal representatives, successors and assigns, hereby covenant consent and agree that the third mortgagee's lien on the real property is and shall always be subject to and subordinate to the lien about to be delivered to the new second mortgagee as aforesaid and that the new second mortgagee lien, in all respects, shall be second, prior and superior to those of the third mortgagee, provided always, however, that if the second mortgagee lien is not duly filed and recorded within 15 days after the date hereof, this subordination 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 third mortgagee's lien except as herein above expressly set forth.

In construing this instrument and where the context so requires, the singular included the plural, "mortgagee" includes beneficiary of a trust deed and creditor under a contract, a security agreement or other lien, and all grammatical changes shall be made so that this instrument shall apply equally to businesses, other entities and to individuals.

IN WITNESS WHEREOF, the undersigned have executed this instrument; any signature on behalf of a business or other entity is made with the authority of that entity.


Cindy L. Balin

(Successor to Tower Shopping Center, LLC, now dissolved)

"Third Mortgagee"

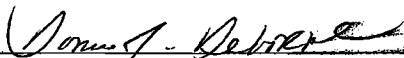
State of Oregon

} ss.

Klamath County

This instrument was acknowledged before me on Aug 26, 2014.




Notary Public for Oregon
My Commission Expires May 26, 2018