

SUBORDINATION AGREEMENT

The Federal Land Bank of Spokane, a corporation, mortgagee in a mortgage executed by Dayton O. Hyde and Gerda V. Hyde, husband and wife, dated October 3, 1978, recorded October 12, 1978, in Volume M78, Page 22907, Mortgage Records of Klamath County, Oregon, to secure the payment of \$365,000.00 (the "Mortgage"), for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby subordinate its interest in that certain real property described in Exhibit "A" attached hereto and incorporated by reference herein (the "Property") arising under the Mortgage to the interests of Sand Creek Ranch, a co-partnership consisting of The Grupe Company and Cortopassi/Graham, Inc., in and to the Property arising under the following documents:

1. Easement Agreement for Access given by Dayton O. Hyde and Gerda V. Hyde to Sand Creek Ranch, a co-partnership consisting of The Grupe Company and Cortopassi/Graham, Inc., dated December 27, 1984, recorded December 28, 1984, in Volume M84, Page 21616, Deed Records of Klamath County, Oregon.
2. Agreement for Protective Easement given by Dayton O. Hyde and Gerda V. Hyde to Sand Creek Ranch, a co-partnership consisting of The Grupe Company and Cortopassi/Graham, Inc., dated December 27, 1984, recorded December 28, 1984, in Volume M84, Page 21622, Deed Records of Klamath County, Oregon.
3. Easement Agreement for Landing Strip given by Dayton O. Hyde and Gerda V. Hyde to Sand Creek Ranch, a co-partnership consisting of The Grupe Company and Cortopassi/Graham, Inc., dated December 27, 1984, recorded December 28, 1984, in Volume M84, Page 21628, Deed Records of Klamath County, Oregon.
4. Conservation Restrictive Covenant by and between Sand Creek Ranch, a co-partnership consisting of The Grupe Company and Cortopassi/Graham, Inc., and Dayton O. Hyde and Gerda V. Hyde, dated December 27, 1984, recorded December 28, 1984, in Volume M84, Page 21636, Deed Records of Klamath County, Oregon.
5. Memorandum of Right of First Refusal by and between Dayton O. Hyde and Gerda V. Hyde, and Sand Creek Ranch, a co-partnership consisting of The Grupe Company and Cortopassi/Graham, Inc., dated December 27, 1984, recorded December 28, 1984, in Volume M84, Page 21641, Deed Records of Klamath County, Oregon.
6. Agreement for Use of Irrigation Ditch given by Dayton O. Hyde and Gerda V. Hyde, to Sand Creek Ranch, a co-partnership consisting of The Grupe Company and Cortopassi/Graham, Inc., dated December 27, 1984, recorded

In Township 32 South, Range 10 East of the Willamette Meridian,
in the County of Klamath, State of Oregon:

Section 36: The $S\frac{1}{2}SE\frac{1}{4}NE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$, $N\frac{1}{2}N\frac{1}{2}SE\frac{1}{4}$, $N\frac{1}{2}NE\frac{1}{4}SW\frac{1}{4}$

In Township 32 South, Range 11 East of the Willamette Meridian,
in the County of Klamath, State of Oregon:

Section 5: The $S\frac{1}{2}S\frac{1}{2}SW\frac{1}{4}$

Section 6: The $E\frac{1}{2}SE\frac{1}{4}$, $E\frac{1}{2}NW\frac{1}{4}SE\frac{1}{4}$

Section 7: The $N\frac{1}{2}NE\frac{1}{4}NE\frac{1}{4}$

Section 8: The $NW\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}$, $NW\frac{1}{4}SW\frac{1}{4}$

Section 17: The $W\frac{1}{2}NE\frac{1}{4}$, $W\frac{1}{2}$, $W\frac{1}{2}SE\frac{1}{4}$

Section 20: The $W\frac{1}{2}E\frac{1}{2}$, $W\frac{1}{2}$

Section 29: The $W\frac{1}{2}NE\frac{1}{4}$, $NW\frac{1}{4}$, $S\frac{1}{2}$

Section 31: The $NE\frac{1}{4}NE\frac{1}{4}$, $S\frac{1}{2}NW\frac{1}{4}NE\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$, $S\frac{1}{2}NE\frac{1}{4}NW\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}$, Lot 2

Section 32: All

In Township 33 South, Range 9 East of the Willamette Meridian, in
the County of Klamath, State of Oregon:

Section 35: The $E\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}$

In Township 33 South, Range 11 East of the Willamette Meridian, in
the County of Klamath, State of Oregon:

Section 4: The $W\frac{1}{2}SW\frac{1}{4}$

Section 5: The $E\frac{1}{2}$, $E\frac{1}{2}NW\frac{1}{4}$, $NW\frac{1}{4}NW\frac{1}{4}$, $SW\frac{1}{4}NW\frac{1}{4}$, $SW\frac{1}{4}$

Section 8: The $NE\frac{1}{4}$, $N\frac{1}{2}S\frac{1}{2}$, $NW\frac{1}{4}$

Section 9: The $W\frac{1}{2}NW\frac{1}{4}$, $W\frac{1}{2}W\frac{1}{2}SE\frac{1}{4}NW\frac{1}{4}$

In Township 34 South, Range 9 East of the Willamette Meridian, in
the County of Klamath, State of Oregon:

Section 2: The $W\frac{1}{2}SE\frac{1}{4}$, Lot 1, $SE\frac{1}{4}NE\frac{1}{4}$

Section 11: The $W\frac{1}{2}NE\frac{1}{4}$, $SW\frac{1}{4}$

Section 15: The $W\frac{1}{2}$, $W\frac{1}{2}W\frac{1}{2}E\frac{1}{4}$

Section 22: The $W\frac{1}{2}NW\frac{1}{4}NE\frac{1}{4}$, $N\frac{1}{2}NW\frac{1}{4}$

description continued ...

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In Township 32 South, Range 11 East of the Willamette Meridian,
in the County of Klamath, State of Oregon:

Section 18: The S $\frac{1}{2}$ SW $\frac{1}{2}$ SE $\frac{1}{4}$

Section 19: The NW $\frac{1}{4}$ NE $\frac{1}{4}$

In Township 32 South, Range 11 East of the Willamette Meridian,
in the County of Klamath, State of Oregon:

Section 7: The E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 18: The NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$

In Township 33 South, Range 11 East of the Willamette Meridian,
in the County of Klamath, State of Oregon:

Section 9: The N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$

EXCEPTING THE FOLLOWING:

Township 32 South, Range 11 East of the Willamette Meridian

Section 5: S $\frac{1}{2}$ S $\frac{1}{2}$ SW $\frac{1}{4}$

Section 6: E $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 7: N $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 18: NE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 19: NW $\frac{1}{4}$ NE $\frac{1}{4}$

Section 8: NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$

Klamath County, Oregon

Township 33 South, Range 9 East, Willamette Meridian

Section 35: E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$

Township 34 South, Range 9 East, Willamette Meridian

Section 2: W $\frac{1}{2}$ SE $\frac{1}{4}$, Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$

Section 11: W $\frac{1}{2}$ NE $\frac{1}{4}$

Klamath County, Oregon.

Township 33 South, Range 11 East Willamette Meridian

Section 8: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Section 9: W $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$

Klamath County, Oregon

Ret:
Rheator Pusket & Assoc
280 Main Street
Klamath Falls, OR 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of September A.D. 19 85 at 10:40 o'clock A M., and duly recorded in Vol. M85 day
of _____ on Page 14826

FEE \$17.00

Evelyn Biehn,
By _____

County Clerk
[Signature]