

SUBORDINATION AGREEMENT

Klamath Production Credit Association, mortgagee in a mortgage executed by Dayton O. Hyde and Gerda V. Hyde, husband and wife, dated December 30, 1981, recorded January 11, 1982, in Volume M82, Page 334, Mortgage Records of Klamath County, Oregon, to secure the payment of \$446,175.00 (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

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December 28, 1984, in Volume M84, Page 21645, Deed Records of Klamath County, Oregon.

7. Telephone 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 21651, Deed Records of Klamath County, Oregon.

Executed at Klamath Falls, this 15 day of May, 1985.

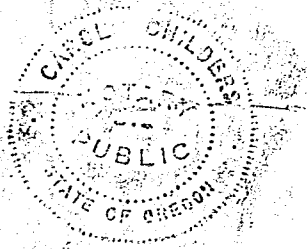
KLAMATH PRODUCTION CREDIT ASSOCIATION

By: Greg Williams
Its President

STATE OF Oregon)
COUNTY OF Klamath) ss.

On this 15th day of May, 1985, before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared Greg Williams, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed the within instrument as President, or on behalf of the corporation therein named, and acknowledged to me that the corporation executed it pursuant to its bylaws or a resolution of its board of directors.

Witness my hand and official seal.



Carol Childers
Notary Public in and for the
State of Oregon

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EXHIBIT "A"

(Please attached same legal description as is attached to the
Subordinating Mortgage.)

Return to
Puckett - Fawcett
280 main Street
K Falls OR 97601

EXHIBIT "A"