THIS AGREEMENT, Made and entered into this 23rd February ....day of .... by and between Bank of America NT&SA, a National Banking Association hereinafter called the first party, and the United States of America acting through the Farmers' hereinafter called the second party; WITNESSETH: Home Administration

On or about April 25 , 1985 , Jespersen-Edgewood, Inc., an Oregon Corporation , being the owner of the following described property in Klamath County, Oregon, to-wit:

All timber to be cut, and minerals and the like (including oil and gas) and the property described on attached Exhibit "B". Az R Danier

The goods are to become fixtures, the above timber is standing, and the above minerals or the like (including oil and gas), are located on that certain real property in Klamath County, Oregon, more particularly described on attached Exhibit "A"

AGREEMENT SUBORDINATION

executed and delivered to the first party his certain. Security Agreement

(State whether mortgage, trust deed, contract, security agreement or otherwise) (herein called the first party's lien) on said described property to secure the sum of \$3,064,820.00 which lien was any langu pertinent —Created by a security agreement, notice of which was given by the filing on......May...13....., 1985..., of a financing statement in the office of the Oregon Department of State

Department of State

where it bears file No.F.28305-В 2 to 2 where it bears the KNEW reel No. M85 page 6077 (indicate which). County, Oregon.

Reference to the document so recorded or filed hereby is made. The first party has never sold or assigned his said lien and at all times since the date thereof has been and now is the owner and holder thereof and the debt thereby secured. The second party is about to loan the sum of \$...500,000.00. to the present owner of the property above described, with interest thereon at a rate not exceeding 9.00. % per annum, said loan to be secured by the said present owner's ... Security Agreement ... (hereinafter called the Store nature of lien to be given, whether mortgage, trust deed, contract, security agreement or otherwise)

second party's lien) upon said property and to be repaid within not more than forty (40) xtaxx from its date. To induce the second party to make the loan last mentioned, the first party heretofore has agreed and con-

sented to subordinate first party's said 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, for himself, his personal representatives (or successors) and assigns, hereby covenants, consents and agrees to and with the second party, his personal representatives (or successors) and assigns, that the said first party's lien on said described property is and shall always be subject and subordinate to the lien about to be delivered to the second party, as aforesaid, and that second party's said lien in all respects shall be first, prior and superior to that of the first party; provided always, however, that if second party's said lien is not duly filed or

recorded or an appropriate financing statement thereon 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 said lien, except as hereinabove expressly set forth.

In construing this subordination agreement and where the context so requires, the singular includes the plural; the masculine includes the feminine and the neuter, and all grammatical changes shall be supplied to cause this agreement to apply to corporations as well as to individuals.

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and seal; if the undersigned is a corporation, it has caused its corporate name to be signed and its copporate seal to be affixed hereunto by its officers duly authorized thereunto by order of its board of directors, all on this the day and year first above written.

President-

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## DESCRIPTION OF PROPERTY

The following described real property situated in Klamath County, Oregon:

## Township 37 South, Range 10 East of the Willamette Meridian:

SW 1/4 NW 1/4, W 1/2 SW 1/4 4: Section S 1/2 N 1/2 and S 1/2 Section 5: S 1/2 NE 1/4 and SE 1/4 Section 7: Section 8: W 1/2, W 1/2 SE 1/4, NE 1/4 SE 1/4 SW 1/4, S 1/2 SE 1/4 and NW 1/4 SE 1/4 Section 9: Section 15: Section 16: NE 1/4, NE 1/4 SW 1/4, NE 1/4 NW 1/4, E 1/2 SE 1/4, Section 17: Section 18: W 1/2 NW 1/4 SE 14 NE 1/4 NE 1/4 Section 19: E 1/2 and N 1/2 NW 1/2 Section 20: A11 Section 21: A11 Section 22: W 1/2 and W 1/2 and SE 1/4 Section 23: W 1/2 and W 1/2 E 1/2 Section 26: E 1/2 and NW 1/4Section 27: SW 1/4, NW 1/4 Section 28: SE 1/4 Section 29: NE 1/4 NE 1/4 N 1/2 NW 1/4 and NW 1/4 NE 1/4 Section 34: Excepting therefrom any portion lying within existing roadways, ditches or canals.

> The S1/2 SW1/4 of Section 4; and SE1/4 SE1/4, SW 1/4 SE1/4 of Section 5; N1/2 NE1/4, SE1/4 NE1/4, and that portion of the SW1/4 NE1/4 and the NE1/4 SE1/4 of Section 8, lying East of Swan Lake Road; and the N1/2 NW1/4, S1/2 NW1/4 of Section 8, lying East of Swan Lake Road; NW1/4 and that portion of the SW1/4 of Section 9, lying East of Swan Lake Road, all being in Township 38 South, Range 10 East of the Willamete KO (1) Ezz: Meridian.

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1000 3" x40' Joints	Unknown	No Number
1320 10" Irrigation Pipe	Unknown	No Number
2000 8" P.V.C.	Unknown	No Number
1000 Irrigation Heads	Unknown	No Number
6600 1/2" Hose	Unknown	No Number
Misc. Valves and fittings	Unknown	No Number
26 Mainline	8'' 1300'	No Number
52 Mainline	6" 2600"	No Number
4 Fuel tanks-3 (1000 gal) 1	(550)	No Number
2 Pivots	Lockwood 2600' & 1290'	No Number
Scale	Murphy 70'	Cardinal 51224
Pump and motor 40HP	GE JL1101A	Cornell 33542
Pump and motor 40HP	GE JL1101A	Cornell 33541
Pump and motor 40HP	GE JL6162	Cornell 30816
Mainline	1000' 6''	No Number
2 Pivot spans 6"	Valley	No Number
2 Pivots (electric)	Valley 190' & 2300'	No Number Found
3 Wheel lines	Western	No Number
2 Wheel lines	1/4 mile Western	No Numbers

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