



To induce the second party to make the loan last mentioned, the first party has agreed and consented to subordinate first party's 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, on behalf of the first party and also on behalf of the first party's personal representatives, successors, and assigns, hereby covenants, consents and agrees to and with the second party and second party's personal representatives, successors, and assigns, that the first party's lien on the property is and shall always be subject and subordinate to the lien about to be delivered to the second party as aforesaid, and that the second party's lien in all respects shall be first, prior and superior to that of the first party, provided always, however, that if the second party's lien is not duly filed or recorded, or an appropriate financing statement with respect thereto duly filed within THIRTY 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 lien, except as hereinabove expressly set forth.

In construing this subordination agreement, and where the context so requires, the singular includes the plural, and all grammatical changes shall be made so that this agreement shall apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the undersigned has executed this agreement. If the undersigned is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

Oregon Department of Transportation

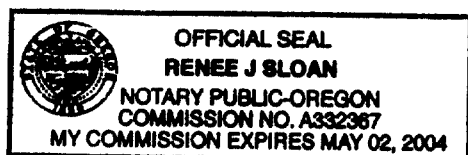
BY: [Signature]

BY: _____

STATE OF OREGON, County of Marion) ss.

This instrument was acknowledged before me on March 25, 2002
by Douglas J. Kleeb

This instrument was acknowledged before me on _____
by _____
as _____
of _____



Renee J. Sloan
Notary Public for Oregon
My commission expires May 2, 2004

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1:

A parcel of land situate in portions of Government Lots 2, 3, and 4 in Section 34, Township 40 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Commencing at the meander corner common to Sections 27 and 34 and running South 15 degrees 58' 10" East 174.6 feet to the Southeasterly right of way line of Highway 97; thence along said right of way line, South 32 degrees 22' 00" West 1,641.36 feet to the point of beginning; thence leaving the right of way line, South 57 degrees 38' 00" East 931.63 feet to the 1858 meander line; thence along said meander line South 05 degrees 38' 20" West 1,046.00 feet; thence North 71 degrees 41' 00" West 429.9 feet; thence South 85 degrees 27' 40" West 266.65 feet; thence South 44 degrees 06' 10" West 291.8 feet; thence leaving the meander line, North 62 degrees 18' 20" West 413.79 feet; thence North 32 degrees 22' 00" East 44.23 feet; thence North 30 degrees 34' 50" East 1,284.01 feet; thence North 57 degrees 38' 00" West 260.00 feet to the Southeasterly right of way line of Highway 97; thence North 32 degrees 22' 00" East 190.59 feet to the point of beginning.

PARCEL 2:

A parcel of land situate in portions of Government Lots 3 and 4 in Section 34, Township 40 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Commencing at the meander corner common to Sections 27 and 34 and running South 15 degrees 58' 10" East 174.6 feet to the Southeastern right of way line of Highway 97; thence along said right of way line, South 32 degrees 22' 00" West 3,184.09 feet to the point of beginning; thence leaving the right of way line, South 62 degrees 18' 20" East 714.81 feet to the 1858 meander line; thence South 44 degrees 06' 10" West 381.02 feet; thence South 60 degrees 32' 35" West 469.70 feet; thence South 05 degrees 08' 55" West 32.76 feet; thence leaving the meander line, North 57 degrees 38' 00" West 428.14 feet to the Southeasterly right of way line of Highway 97; thence along said right of way line, North 32 degrees 22' 00" East 757.99 feet to the point of beginning.