



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 45 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.

[Signature]

Lyle Barney

Klamath Tribes Housing Director

STATE OF OREGON, County of Klamath) ss. 2003
This instrument was acknowledged before me on 14 February, 19
by LYLE BARNEY

This instrument was acknowledged before me on 14 February, 2003
by L. YLE BARNEY,
as DIRECTOR,
of KLAMATH TRIBES HOUSING DEPT.

[Signature]

Notary Public for Oregon
My commission expires 7/7/2006

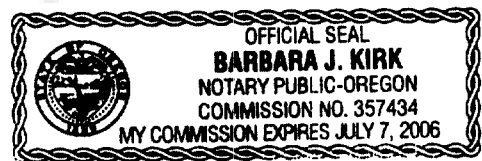


EXHIBIT "A"
LEGAL DESCRIPTION

Beginning at a point which lies South along the Section line a distance of 1,980 feet, and East a distance of 2,393 feet, and South a distance of 360 feet, from the iron pin which marks the Northwest corner of Section 14, Township 36 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, and running thence; South 100 feet; thence East 120 feet; thence North 100 feet; thence West 120 feet, more or less to the point of beginning, said tract lying in Lot 14 in the SE1/4 NW1/4 of Section 14, Township 36 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, known as Tract No. 91; also, beginning at a point which lies South along the section line a distance of 1,980 feet, and East a distance of 2,393 feet, and South a distance of 460 feet, from the iron pin which marks the Northwest corner of Section 14, Township 36 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, and running thence South 100 feet; thence East 120 feet; thence North 100 feet; thence West 120 feet, more or less to the point of beginning, said tract lying in Lot 14 in the SE1/4 NW1/4 of Section 14, Township 36 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, known as Tract No. 92; also, beginning at point which lies South along the section line a distance of 1,980 feet, and East a distance of 2,393 feet and South a distance of 560 feet, from the iron pin which marks the Northwest corner of Section 14, Township 36 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, and running thence South 100 feet; thence East 120 feet; thence North 100 feet; thence West 120 feet, more or less to the point of beginning, said tract lying in Lot 14 in the SE1/4 NW1/4 of Section 14, Township 36 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, known as Tract No. 93.