

03 MAY 23 AM 11:06

MTL-60535

Vol M03 Page 35038

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

WELLS FARGO BANK, NATIONAL
ASSOCIATION
Real Estate Group (AU #07490)
1300 S. W. Fifth, 12th Floor
MAC P6101-121
Portland, OR 97201

Attn: Kathy McIvor
Loan No.2543PO

State of Oregon, County of Klamath
Recorded 05/23/2003 11:06 A m.
Vol M03 Pg 35038-42
Linda Smith, County Clerk
Fee \$ 41.00 # of Pgs 5

**SUBORDINATION AGREEMENT
(Deed of Trust to Deed of Trust)**

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION AGREEMENT ("Agreement") is made May 20, 2003, by Crestview Commons Limited Partnership, an Oregon limited partnership, owner of the real property hereinafter described ("Owner") and Rembold Trusts, Inc., holder of the deed of trust described below ("Beneficiary"), in favor of WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender").

RECITALS

- A. Subject to the terms and provisions of that certain deed of trust dated May 23rd, 2003, executed by Owner in favor of Beneficiary, recorded in the official records of Klamath County, Oregon as Instrument No. M03-35034, Owner granted to Beneficiary a security interest in and to the property described on Exhibit A attached hereto (which property, together with all improvements now or hereafter located on the property, is hereinafter referred to as the "Property").
- B. Owner has executed, or proposes to execute, a deed of trust with absolute assignment of leases and rents, security agreement and fixture filing ("Lender's Deed of Trust") securing, among other things, a promissory note ("Note") in the principal sum of Four Million Fifty Thousand and no/100THS DOLLARS (\$4,050,000.00), dated May 20, 2003, in favor of Lender ("Loan"). Lender's Deed of Trust is to be recorded concurrently herewith.
- C. As a condition to Lender making the Loan secured by Lender's Deed of Trust, Lender requires that Lender's Deed of Trust be unconditionally and at all times remain a lien or charge upon the Property, prior and superior to all the rights of Beneficiary under its deed of trust and that Beneficiary specifically and unconditionally subordinate its deed of trust to the lien or charge of Lender's Deed of Trust.
- D. Beneficiary and Owner agree to the subordination in favor of Lender.

THEREFORE, for valuable consideration and to induce Lender to make the Loan, Owner and Beneficiary hereby agree for the benefit of Lender as follows:

41.00

- 1.1 Lender's Deed of Trust securing the Note in favor of Lender, and any modifications, renewals or extensions thereof, shall unconditionally be and at all times remain a lien or charge on the Property prior and superior to Beneficiary's deed of trust; and
- 1.2 This Agreement shall be the whole agreement with regard to the subordination of Beneficiary's deed of trust to the lien or charge of Lender's Deed of Trust and shall supersede and cancel, but only insofar as would affect the priority of Lender's Deed of Trust, any prior agreements as to such subordination, including, without limitation, those provisions, if any, contained in Beneficiary's deed of trust which provide for the subordination of the deed of trust to a deed or deeds of trust or to a mortgage or mortgages.

Beneficiary further declares, agrees and acknowledges for the benefit of Lender, that:

- 1.3 Lender, in making disbursements pursuant to any such agreement, is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds, and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part; and
- 1.4 Beneficiary intentionally and unconditionally waives, relinquishes and subordinates all of Beneficiary's right, title and interest in and to the Property to the lien or charge of Lender's Deed of Trust upon the Property and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made by Lender and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute and be construed as one and the same instrument.

Exhibit A is attached hereto and incorporated herein by this reference.

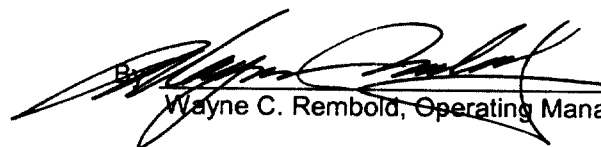
NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT HERETO.

"OWNER"

Crestview Commons Limited Partnership,
an Oregon limited partnership

By: R.K. Holdings, L.L.C., an Oregon limited liability
company, General Partner

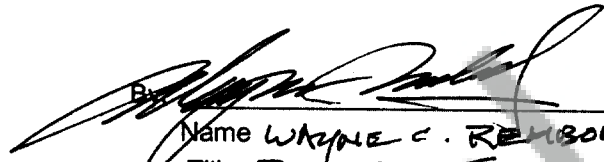

Wayne C. Rembold, Operating Manager

35040

Loan No. 2543PO

"BENEFICIARY"

Rembold Trusts, Inc., an Oregon corporation

By 
Name WAYNE C. REMBOLD
Title PRESIDENT

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

Unofficial Copy

DESCRIPTION OF PROPERTY

Exhibit A to Subordination Agreement executed by Crestview Commons Limited Partnership, an Oregon limited partnership, as "Owner", and Rembold Trusts, Inc., as "Beneficiary", in favor of WELLS FARGO BANK, NATIONAL ASSOCIATION "Lender", dated as of May 20, 2003.

All that certain real property located in the County of Klamath, State of Oregon, described as follows:

Parcel 1:

Parcel 1 of Land Partition 1-03, said Land Partition being Parcel 1 of Land Partition 14-97 and a portion of a tract of land situated in the NE1/4 NE1/4 of Section 10, Township 39 South, Range 9 East, Willamette Meridian, Klamath County, Oregon.

Unofficial
Copy

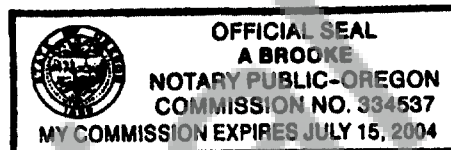
STATE OF Oregon

35042

COUNTY OF Multnomah ss.

This instrument was acknowledged before me on May 20th, 2003 by Wayne C. Rembold as
Operating Manager of RK Holdings, LLC a n
Oregon limited liability company, General Partner of Crestview Commons Limited Partnership,
an Oregon limited partnership.

Signature *A Brooke*
Notary Public for Oregon



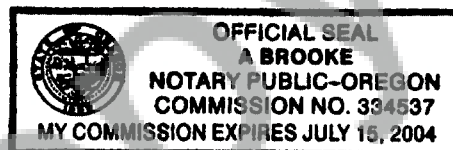
My commission expires 07/15/04

STATE OF Oregon

COUNTY OF Multnomah ss.

This instrument was acknowledged before me on May 20th, 2003 by Wayne C. Rembold as
President of Rembold Trusts, Inc. a n
Oregon corporation

Signature *A Brooke*
Notary Public for Oregon



My commission expires 07/15/04