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Wells Fargo Bank, National Association
SBA Lending
121 Park Center Plaza, 8th Floor
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Vol M04 Page 41197

State of Oregon, County of Klamath
Recorded 08/25/2004 11:28a m
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Linda Smith, County Clerk
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WHEN RECORDED MAIL TO:
Wells Fargo Bank, National Association
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SUBORDINATION AGREEMENT - LEASE

NOTICE: THIS SUBORDINATION AGREEMENT - LEASE 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 - LEASE dated June 16, 2004, is made and executed among Michael C. Thomas, DMD, P.C.; and Jeffrey A. Englestadter, DMD, PC ("Lessee"); Tetrad, LLC ("Borrower"); and Wells Fargo Bank, National Association ("Lender").

LEASE. Lessee has executed a lease dated May 6, 2004 of the property described herein (the "Subordinated Lease").

REAL PROPERTY DESCRIPTION. The Lease covers a portion of the following described real property located in Klamath County, State of Oregon:

Real property in the County of Klamath, State of Oregon, described as follows:

Being a portion of Tract 39B and 40A of Enterprise Tracts, being more particularly described as follows:

Beginning at a 5/8 inch iron rod, from which a steel axle marking the Northwest 1/16 corner of Section 34, Township 38 South, Range 9 East of the Willamette Meridian, bears North 84° 07' 43" East 311.80 feet; thence South 12° 41' 11" West 403.39 feet to a 5/8 inch iron rod on the Northeastly right of way line of Oregon State Highway No. 39 (Eastside Bypass) at centerline station 151+49.7; thence along the Northeastly right of way line as follows: Northwestly along a Spiral Curve to the left 249.70 feet to a 5/8 inch iron rod (centerline station 149+00); thence North 45° 02' 07" East 15.00 feet to a 5/8 inch iron rod (centerline station 149+00); thence Northwestly along a Spiral Curve to the left 155.48 feet to a 5/8 inch iron rod (centerline station P.C.S. 147+55.3); thence along the arc of a curve to the left 138.72 feet (Central Angle 6° 15' 09", Radius 1270.92 feet, chord bears North 53° 02' 29" West 138.62 feet) to a 5/8 inch iron rod, said point being the intersection of the said Northeastly right of way line and the Southerly right of way line of Beverly Drive; thence leaving said right of way line, along the Southerly right of way line of Beverly Drive, North 89° 39' 0" East 476.84 feet to the point of beginning.

LESS AND EXCEPTING any portion lying within Foothill Blvd. also known as Beverly Drive.

Tax Parcel Number: R443041

The Real Property or its address is commonly known as 2800 Foothills Blvd., Klamath Falls, OR 97603. The Real Property tax identification number is R443041

REQUESTED FINANCIAL ACCOMMODATIONS. Lessee and Borrower each want Lender to provide financial accommodations to Borrower in the form of (A) new credit or loan advances, (B) an extension of time to pay or other compromises regarding all or part of Borrower's present indebtedness to Lender, or (C) other benefits to Borrower. Borrower and Lessee each represent and acknowledge to Lender that Lessee will benefit as a result of these financial accommodations from Lender to Borrower, and Lessee acknowledges receipt of valuable consideration for entering into this Subordination.

LENDER'S LIEN. As a condition to the granting of the requested financial accommodations, Lender has required that its lien on the Real Property ("Lender's Lien") be and remain superior to the Subordinated Lease.

NOW THEREFORE THE PARTIES TO THIS SUBORDINATION HEREBY AGREE AS FOLLOWS:

SUBORDINATION. All of Lessee's right, title, and interest in and to the Subordinated Lease and the Real Property is and shall be subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is agreed that Lender's Lien shall be and remain, at all times, prior and superior to Lessee's interests in the Subordinated Lease and the Real Property.

LESSEE'S REPRESENTATIONS AND WARRANTIES. Lessee hereby represents and warrants to Lender that Lessee has heretofore delivered to Lender a true, correct and complete copy of the Lease, which constitutes the entire agreement between the parties thereto and Lessee further acknowledges that the Lease is in full force and effect and that no default by Lessee or, to Lessee's knowledge, by other party under the terms and provisions of the Lease exists as of the date hereof.

LESSEE WAIVERS. Lessee waives any right to require Lender: (A) to make, extend, renew, or modify any loan to Borrower or to grant any

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**SUBORDINATION AGREEMENT - LEASE
(Continued)****41198****Page 2**

other financial accommodations to Borrower whatsoever; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any Superior Indebtedness secured by Lender's Lien, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional indebtedness; (C) to resort for payment or to proceed directly or at once against any person, including Borrower; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.

LENDER'S RIGHTS. Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Subordination. In particular, without limitation, Lender may, without notice of any kind to Lessee, (A) make one or more additional secured or unsecured loans to Borrower; (B) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part of it, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (D) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (E) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (F) apply such security and direct the order or manner of sale of the security, as Lender in its discretion may determine; and (G) transfer this Subordination to another party.

DEFAULT BY BORROWER. If Borrower becomes insolvent or bankrupt, this Subordination shall remain in full force and effect. In the event of a corporate reorganization or corporate arrangement of Borrower under the provisions of the Bankruptcy Code, as amended, this Subordination shall remain in full force and effect and the court having jurisdiction over the reorganization or arrangement is hereby authorized to preserve such priority and subordination provided under this Subordination in approving any such plan of reorganization or arrangement. Any default by Borrower under the terms of the Subordinated Lease also shall constitute an event of default under the terms of the Superior Indebtedness in favor of Lender.

FACSIMILE AND COUNTERPART. This document may be signed in any number of separate copies, each of which shall be effective as an original, but all of which taken together shall constitute a single document. An electronic transmission or other facsimile of this document or any related document shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Subordination:

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Subordination, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Lessee also will pay any court costs, in addition to all other sums provided by law.

Authority. The person who signs this Subordination as or on behalf of Lessee represents and warrants that he or she has authority to execute this Subordination and to subordinate the Subordinated Indebtedness and the Lessee's security interests in Lessee's property, if any.

Governing Law. This Subordination will be governed by, construed and enforced in accordance with federal law and the laws of the State of South Dakota, except and only to the extent of procedural matters related to the perfection and enforcement of Lender's rights and remedies against the Property, which matters shall be governed by the laws of the State of Oregon. However, in the event that the enforceability or validity of any provision of this Subordination is challenged or questioned, such provision shall be governed by whichever applicable state or federal law would uphold or would enforce such challenged or questioned provision. The loan transaction which is evidenced by the Note and this Subordination has been applied for, considered, approved and made, and all necessary loan documents have been accepted by Lender in the State of South Dakota.

Successors. This Subordination shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Subordination, and the covenants of Lessee herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

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.

EACH PARTY TO THIS SUBORDINATION ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS SUBORDINATION, AND EACH PARTY AGREES TO ITS TERMS. THIS SUBORDINATION IS DATED JUNE 16, 2004.



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SUBORDINATION AGREEMENT - LEASE
(Continued)

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BORROWER:

TETRAD, LLC

By: [Signature]
Cindy A. Thomas, Manager of Tetrad, LLC

LESSEE:

MICHAEL C. THOMAS, DMD, P.C.

By: [Signature]
Michael C. Thomas, President of Michael C. Thomas, DMD, P.C.

JEFFREY A. ENGLESTADTER, DMD, PC

By: [Signature]
Jeffrey A. Englestadter, President of Jeffrey A. Englestadter, DMD, PC

LENDER:

WELLS FARGO BANK, NATIONAL ASSOCIATION

x [Signature]
Rachel M. Cox, Loan Closing Officer

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

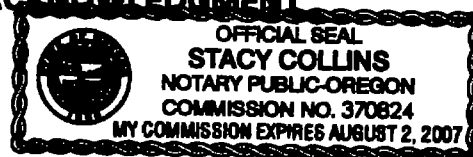
STATE OF

Oregon

COUNTY OF

CLATSOP

) ss



On this 23 day of June, 2007, before me, the undersigned Notary Public, personally appeared Cindy A. Thomas, Manager of Tetrad, LLC, and known to me to be a member or designated agent of the limited liability company that executed the Subordination Agreement - Lease and acknowledged the Subordination to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Subordination and in fact executed the Subordination on behalf of the limited liability company.

By

[Signature]

Residing at

Clatsop

Notary Public in and for the State of

Oregon

My commission expires

8/2/07



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SUBORDINATION AGREEMENT - LEASE (Continued)

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CORPORATE ACKNOWLEDGMENT

STATE OF OregonCOUNTY OF KLAMATH

On this 23rd day of June, 2007, before me, the undersigned Notary Public, personally appeared Michael C. Thomas, President of Michael C. Thomas, DMD, P.C., and known to me to be an authorized agent of the corporation that executed the Subordination Agreement - Lease and acknowledged the Subordination to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Subordination and in fact executed the Subordination on behalf of the corporation.

By [Signature]
Notary Public in and for the State of Oregon

Residing at Klamath
My commission expires 8-2-07



CORPORATE ACKNOWLEDGMENT

STATE OF OregonCOUNTY OF Klamath

On this 23 day of June, 2007, before me, the undersigned Notary Public, personally appeared Jeffrey A. Englestadter, President of Jeffrey A. Englestadter, DMD, PC, and known to me to be an authorized agent of the corporation that executed the Subordination Agreement - Lease and acknowledged the Subordination to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Subordination and in fact executed the Subordination on behalf of the corporation.

By [Signature]
Notary Public in and for the State of Oregon

Residing at Klamath
My commission expires 8-2-07



LENDER ACKNOWLEDGMENT

STATE OF ArizonaCOUNTY OF Maricopa

On this 11th day of May, 2007, before me, the undersigned Notary Public, personally appeared Rachel M. Cox and known to me to be the CEO, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By [Signature]
Notary Public in and for the State of Arizona

Residing at Phoenix Az
My commission expires 12-14-05



Notary Public State of Arizona
Maricopa County
Janet C. Heilman
Expires December 14, 2005