

Recording Requested by:

State of Oregon, County of Klamath
Recorded 01/14/05 3:41 p m
Vol M05 Pg 03470 - 75
Linda Smith, County Clerk
Fee \$ 46⁰⁰ # of Pgs 6

WHEN RECORDED MAIL TO:

Farm Credit West, PCA
Visalia Office
P. O. Box 4379
Visalia, CA 93278

Space Above This Line For Recorder's Use

AMT 66823
SUBORDINATION AGREEMENT

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 AGREEMENT, made this 6th day of January, 2005 by Dwight Mebane and Helen Mebane, husband and wife, as tenants by the entirety, owner of the land hereinafter described and hereinafter referred to as "Owner," and Farm Credit West, PCA, present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH

THAT WHEREAS, Dwight Mebane and Helen Mebane, husband and wife, as tenants by the entirety did execute a deed of trust, dated January 03, 2000, to Farm Credit West, PCA, successor by merger to Valley Production Credit Association, as beneficiary, covering:

FOR DESCRIPTION OF REAL PROPERTY SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

to secure notes in the aggregate amount of \$9,438,440.00, together with all advances, extensions, and renewals, dated January 03, 2000, July 10, 1997, August 24, 1999, and December 29, 1998, in favor Valley Production Credit Association, which deed of trust was recorded March 03, 2000, as Volume No. M00, Page 6851 of Official Records of Klamath County, State of Oregon; and

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$8,350,000.00, dated January 06, 2005, in favor of Farm Credit West, FLCA hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said credit from Lender that said deed of trust last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the deed of trust first above mentioned; and

WHEREAS, Lender is willing to extend said credit provided the deed of trust securing the same is a lien or charge upon the above-described property prior and superior to the lien or charge of the deed of trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender; and

WHEREAS, it is to the mutual benefit of the parties hereto that Lender extend said credit to Owner; and Beneficiary is willing that the deed of trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the deed of trust first above mentioned.

NOW THEREFORE, in consideration of the mutual benefit accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to extend said credit, it is hereby declared, understood and agreed as follows:

- (1) That said deed of trust in favor of Lender shall unconditionally be and remain at all times a lien or charge on all property described in Lender's Deed of Trust, prior and superior to the lien or charge of the deed of trust first above mentioned.
- (2) That the purpose of this agreement is to establish a lien priority for the Lender which will allow it to provide a Loan to Owner, and that this agreement is to continue in effect as to all credit extended to Owner, under the subject Loan, not exceeding in the aggregate outstanding at any one time (without including any amounts then repaid) **\$8,350,000.00** principal, plus interest thereon which may accrue at a variable or adjustable rate in accordance with the terms of the note. Said aggregate amount shall include all sums resulting from any extensions or renewals of such credit, and all costs and attorney's fees incurred in connection with such credit.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the deeds of trust hereinbefore specifically described, any prior agreements as to such subordination, including but not limited to, those provisions, if any, contained in the deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that:

- (a) Beneficiary consents to and approves (i) all provisions of the note and deed of trust in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;
- (b) 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.
- (c) Beneficiary intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the deed of trust first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of Lender above referred to 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 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.

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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 SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

Dated: January 06, 2005

Beneficiary

Owner

Farm Credit West, PCA

By: _____

Gary L. Hoetker, Senior Vice President

Dwight Mebane

Helen Mebane

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

03473

State of California

County of

Tulare

ss.

On

1/12/05

Date

before me,

Dan Oster, Notary Public

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

Fang L. Hoatker

Name(s) of Signer(s)

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he she they executed the same in his her their authorized capacity(ies), and that by his her their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]
Signature of Notary Public



OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Attorney-in-Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

03474

State of California }
County of Tulare } ss.

On 1-13-05 before me, Nina Smith
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Dwight melane & Helen melane
Name(s) of Signer(s)

- ☒ personally known to me
☐ proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Nina Smith
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Subordination Agreement

Document Date: _____ Number of Pages: _____

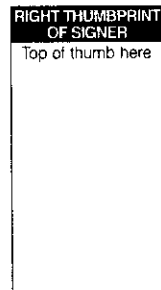
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____



03475

Dwight G. Mebane
Customer No. 0004344014
January 6, 2005
Page 1 of 1

Subordination Agreement

County of Oregon
Description of Real Property

Exhibit "A"

All of the following real property situated in the County of Klamath and State of Oregon, bounded and described as follows, to wit:

The S1/2 of the NE1/4 and the SE1/4 of Section 30;

The NE1/4 of Section 31;

The SW1/4 of the SW1/4 of Section 29;

The W1/2 of the NW1/4 of Section 32;

ALL in Township 33 South, Range 7 1/2 East of the Willamette Meridian, Klamath County, Oregon; and all that part of the SE1/4 of the NW1/4 and all that part of the SW1/4 of the NE1/4 of Section 32, said Township and Range lying Northerly of and from the Main Public County or Market Road running through Section 32 in a Northeasterly direction, the premises hereby conveyed extending to the center line of said road;