

mtc - 70372

State Of Oregon, County Of Klamath

M05-61805

08/12/2005 10:31:48 AM

Of Pages 2 Fee: \$26.00

After recording return to:

NWFCS - Salem Corporate
650 Hawthorne Avenue SE, Suite 210
P.O. Box 13309
Salem, OR 97309-9831

Sevenmile Creek Ranch, LLC
Customer/Note No. 51014-241

SUBORDINATION AGREEMENT

PARTIES AND INTERESTS.

Subordinator: Northwest Farm Credit Services, PCA

- a. Subordinator's Interest: Deed of Trust executed June 29, 2005, recorded July 21, 2005, in Volume MO5, Page 56114, records of Klamath County, Oregon, as amended by Modification of such Deed of Trust, dated August 3, 2005, recorded August 12, 2005 in Volume MO5, Page 61803, records of Klamath County, Oregon.
- b. UCC-1 Financial Statement, File No. 6983549, Filed July 18, 2005.

Subordinatee: Northwest Farm Credit Services, FLCA

- a. Subordinatee's Interest: Deed of Trust, Assignment of Rent, Security Agreement and Fixture Filing dated August 3, 2005, recorded August 12, 2005, in Volume MO5, Page 61804, records of Klamath County, Oregon.
- b. Any and all UCC-1 Financial Statements in favor of Subordinatee.

Subordinatee's Note: Note, executed by Borrower or Borrower's successor, dated August 3, 2005, and any amendments thereto, secured by Subordinatee's Interest.

Borrower: Sevenmile Creek Ranch, LLC, an Oregon limited liability company

SUBORDINATION AGREEMENT - 1

Sevenmile Creek Ranch, LLC; CIF/Note No. 51014-241

AGREEMENT

The property described in the above-referenced instruments creating Subordinate's Interest is referred to as the "Property."

For good and valuable consideration, Subordinator subordinates its interest in the Property to Subordinate's Interest and all advances or charges, if any, made or accruing under Subordinate's Note, if any. This subordination also includes any extension, refinancing, reindexing, renewal, or renegotiation of Subordinate's Note, if any.

Subordinator acknowledges the opportunity to examine the terms of the documents pertaining to Subordinate's Interest.

The heirs, personal representatives, successors and assigns of Subordinator shall be bound by this Agreement. This Agreement shall inure to the benefit of Subordinate and its personal representatives, successors and assigns.

Dated: August 9, 2005

NORTHWEST FARM CREDIT SERVICES, PCA

By: Maria Contreras
Authorized Agent

STATE OF Oregon
)ss.
County of Marion

On this 9th day of August, before me personally appeared Maria Contreras, known to me to be the Authorized Agent of Northwest Farm Credit Services, PCA, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and each on oath stated that he/she was authorized to execute said instrument.

Leslie A. Heath
Notary Public for the State of Oregon
Residing at Leizel, OR
My commission expires 1-4-06

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SUBORDINATION AGREEMENT - 2
Sevenmile Creek Ranch, LLC; CIF/Note No. 51014-241