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NO PART OF ANY STEVENS-NESS FORM MAY BE REPT

2006-022296

Klamath County, Oregon



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11/07/2006 03:16:18 PM

Fee: \$31.00

SPACE RESE
FOR
RECORDER

Gary Orem + Harry Orem

20000 Hwy 50

Merrill, OR 97633

Grantor's Name and Address

W.C. Ranch, Inc.

17356 Hill Rd.

Klamath Falls, OR 97603

Grantee's Name and Address

After recording, return to (Name, Address, Zip):

W.C. Ranch, Inc.

17356 Hill Rd.

Klamath Falls, OR 97603

Until requested otherwise, send all tax statements to (Name, Address, Zip):

NO CHANGE

MTC 17325 KR

QUITCLAIM DEED

KNOW ALL BY THESE PRESENTS that Gary Orem and Harry Orem

hereinafter called grantor, for the consideration hereinafter stated, does hereby remise, release and forever quitclaim unto W.C. Ranch, Inc., an Oregon corporation

hereinafter called grantee, and unto grantee's heirs, successors and assigns, all of the grantor's right, title and interest in that certain real property, with the tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining, situated in Klamath County, State of Oregon, described as follows, to-wit:

The intent of this Quitclaim Deed is to extinguish any and all interest as set forth in the Subordination Agreement recorded in Volume M99, page 3396, Microfilm Records of Klamath County, Oregon. Said subordination agreement referenced a lease with the Grantor that has been extinguished. The Grantors have no lease on the subject real property.

(IF SPACE INSUFFICIENT, CONTINUE DESCRIPTION ON REVERSE)

To Have and to Hold the same unto grantee and grantee's heirs, successors and assigns forever.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$ 1.00

However, the actual consideration consists of or includes other property or value given or promised which is ☐ part of the ☐ the whole (indicate which) consideration. (The sentence between the symbols @, if not applicable, should be deleted. See ORS 93.030.)

In construing this deed, where the context so requires, the singular includes the plural, and all grammatical changes shall be made so that this deed shall apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the grantor has executed this instrument on November 3, 2006; if grantor 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.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER CHAPTER 1, OREGON LAWS 2005 (BALLOT MEASURE 37 (2004)). THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER CHAPTER 1, OREGON LAWS 2005 (BALLOT MEASURE 37 (2004)).

X Gary D. Orem

X Harry J. Orem

STATE OF OREGON, County of Klamath ss.

This instrument was acknowledged before me on November 3, 2006

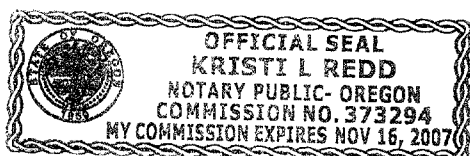
by Gary D. Orem + Harry Orem

This instrument was acknowledged before me on

by

as

of



Kristi L. Redd

Notary Public for Oregon

My commission expires

11/16/2007

MTC 45772-KR
SUBORDINATION AGREEMENT

THIS AGREEMENT, dated as of the 20th day of January, 1999, is between HARRY OREM and GARY OREM (collectively "Tenant"), whose address is 19980 Hwy 50, Merrill, OR 97633, and THE TRAVELERS INSURANCE COMPANY, a Connecticut corporation ("Beneficiary"), whose address is One Tower Square 9PB, Hartford, Connecticut 06183-2030, or at such other place as Holder may from time to time designate in writing.

RECITALS:

- A. Beneficiary has agreed to make a loan in the amount of Seven Hundred Thousand Dollars (\$700,000.00) to WC RANCH, INC., MICHAEL B. WRAY, JOHN W. DEY, and NANCY L. DEY ("Grantor"), whose address is 17356 Hill Road, Klamath Falls, Oregon 97601, repayment of which is to be secured by a Deed of Trust (the "Deed of Trust") on the real estate (the "Premises") that is more fully described in Exhibit "A" attached hereto.
- B. The Deed of Trust is to be recorded in the County where the Premises are situate.
- C. Tenant is the present lessee under a lease dated November 1, 1986, made by WC Ranch, Inc., as Landlord, demising a portion of the Premises, (said lease and all amendments thereto herein referred to as "Lease").
- D. As a condition precedent to Beneficiary's disbursement of loan proceeds, Beneficiary has required that Tenant subordinate the Lease and its interest in the Premises in all respects to the lien of the Deed of Trust.
- E. It will be of benefit to Tenant for Beneficiary to disburse the loan proceeds.
- F. Beneficiary is disbursing the loan proceeds in reliance upon the agreements contained in this Agreement.

NOW, THEREFORE, in consideration of the recitals described above, which are incorporated as part of the agreement between the parties, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, it is hereby agreed as follows:

1. **SUBORDINATION.** The Lease, and all right, title, and interest of Tenant in, to, or under the Lease and the Premises, are hereby subjected and subordinated and shall remain in

1 - SUBORDINATION AGREEMENT

DESCRIPTION OF REAL PROPERTY

The following described property situated in Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

- Section 16: S1/2 NE1/4, N1/2 SE1/4; N1/2 SE1/4 SE1/4; S1/2 SE1/4 SE1/4; SE1/4 NW1/4; NE1/4 SW1/4 and SW1/4 SE1/4
 Section 21: Government Lot 4
 Section 22: NW1/4 NW1/4; S1/2 NW1/4; NW1/4 SW1/4, EXCEPTING that portion Southerly of Hill Road; E1/2 SW1/4; W1/2 SE1/4; SW1/4 SW1/4
 Section 23: E1/2 W1/2; W1/2 NE1/4 and NW1/4 SE1/4
 Section 26: NE1/4 NW1/4
 Section 27: Government Lots 5, 6, 7, 8 and 9; SE1/4 SE1/4; N1/2 NW1/4; SE1/4 NW1/4; W1/2 NE1/4

LESS the following: Beginning at a 5/8 inch iron pin marking the Northeast corner of the NW1/4 NE1/4 of said Section 27; thence South 00 degrees 33' 36" West, along the East line of said NW1/4 NE1/4 of said Section 27, 1,382.64 feet, more or less, to the Northerly right of way line of Hill Road, a county road; thence Northwesterly along the Northerly right of way line of said Hill Road 1300 feet, more or less, to a one-inch iron pin at the intersection of said right of way line with a fence running Northeast; thence along said fence and the Northeasterly projection thereof North 42 degrees 12' 33" East 542.46 feet to a one-inch iron pin set in the center of a dirt road; thence leaving said fence line North 35 degrees 05' 31" East 397.34 feet to a point on the North line of said Section 27, said point being marked by a one-inch iron pin; thence North 89 degrees 58' 17" East along the said North line of said Section 27, 420.87 feet to the point of beginning.

AND ALSO SAVING AND EXCEPTING THEREFROM a parcel of land situated in the SE1/4 SE1/4, in Lot 5, and in Lot 6 all being in Section 27, Township 40 South, Range 10 East of the Willamette Meridian, and being more particularly described as follows: Beginning at a point where the South line of said Section 27 intersects the Westerly right of way line of the Burlington Northern Railroad, from which the Southeast corner of said Section 27 bears South 89 degrees 38' 24" East, 1097.43 feet; thence North 28 degrees 45' 24" West, along said right of way line, 1029.75 feet; thence South 61 degrees 14' 36" West 50.00 feet; thence North 28 degrees 45' 24" West, 655.60 feet; thence along the arc of a 5629.65 foot radius curve to the left (delta equals 01 degrees 10' 05"), 114.77 feet to the South line of a drainage easement; thence South 57 degrees 42' West along the South line of said drainage easement, 275.64 feet, more or less, to a point on the mean high water line of the left bank of Lost River; thence Southeast along said mean high water line to a point on the South line of said Section 27; thence South 89 degrees 38' 24" East, along said South line 751.73 feet, more or less, to the point of beginning.

Section 28: Government Lot 4

EXCEPTING FROM the above described lands, Right of Way for Great Northern Railroad as set out in Transcript of Decree dated June 6, 1931, recorded November 2, 1931 in Volume 96, Page 246 Deed Records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM that portion lying within public roads and highways and within the USBR canals and drains.

STATE OF OREGON : COUNTY OF KLAMATH:

Filed for record at request of Amertitle the 29th day
 of January A.D. 1999 at 11:54 o'clock AM., and duly recorded in Vol. M99
 of Mortgages on Page 3396

FEE \$50.00

Linda Smith, County Clerk

by Kathleen R. Rood