

2008-011172

Klamath County, Oregon



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08/06/2008 03:22:34 PM

Fee: \$26.00

MT0828100

After recording return to:
Bendich, Stobaugh & Strong
701 Fifth Avenue, #6550
Seattle, WA 98104

SUBORDINATION OF LEASE AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT. IT IS RECOMMENDED THAT PRIOR TO EXECUTION OF THIS SUBORDINATION AGREEMENT YOU CONSULT WITH YOUR ATTORNEY.

The undersigned subordinator agrees as follows:

1. Ghost Rock Ranch, LLC, referred to herein as "Subordinator", is the lessee of a lease with Cherie Lee Appleby covering the premises located at:

The E1/2 NW1/4 and SW1/4 NW1/4 of Section 22, Township 23 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, LESS AND EXCEPTING that portion lying within the right of way of the Great Northern Railroad.

A reference to this lease Volume 2008-003609, Microfilm Records of Klamath County, Oregon. The Real Property or its address is commonly known as 148800 Beale Road, La Pine OR 97739.

2. Cherie Lee Appleby owns the real property described in Paragraph 1 and is referred to herein as "Owner."

3. Owner has executed, or is about to execute, a deed of trust in favor of Oregon Business Development Corporation ("CDC") to secure a note in the original principal amount of \$753,000. This deed of trust and note will be assigned by CDC to the United States Small Business Administration ("SBA"). The deed of trust will be referred to in this document as "the SBA Deed of Trust" and CDC and SBA will be referred to collectively as "Lender."

4. In consideration of benefits to Subordinator from Owner, receipt and sufficiency of which is hereby acknowledged, and to induce Lender to advance funds under the note and all agreements in connection therewith the Subordinator does hereby

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unconditionally subordinate its interest in the lease identified in paragraph 1 above to the lien of the SBA Deed of Trust, and all advances or charges made or accruing thereunder, including any extension or renewal thereof.

5. It is understood by the parties hereto that Lender would not make the loan secured by the SBA Deed of Trust without this agreement.

6. This agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the lease above mentioned to the SBA Deed of Trust and shall supersede and cancel any prior agreements as to such.

7. The heirs, administrators, assigns and successors in interest of the Subordinator shall be bound by this agreement. Gender and number of pronouns are considered to conform to undersigned.

EXECUTED this 29th day of July, 2008.

Ghost Rock Ranch, LLC

By



Cherie Lee Appleby, Member

State of Oregon)
County of Deschutes) ss.

This instrument was acknowledged before me on 7/29/08, 2008, by Cherie Lee Appleby as Member of Ghost Rock Ranch, LLC.

Dated: July 28, 2008

(Seal or stamp)


NOTARY PUBLIC in and for the State of Oregon, residing at Raymond, OR

My commission expires: 8/5/2010

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