

WTC 92648-KR

2012-005270

Klamath County, Oregon



00118293201200052700050053

RECORDING REQUESTED BY

378865029-3

50535350-04

Sterling Savings Bank

3558 Round Barn Blvd, Ste 300

Santa Rosa, CA 95403

05/16/2012 03:36:49 PM

Fee: \$57.00

AND WHEN RECORDED MAIL TO:

Sterling Savings Bank

3558 Round Barn Blvd, Ste 300

Santa Rosa, CA 95403

Space Above This Line for Recorder's Use

SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN THE LEASEHOLD ESTATE IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS AGREEMENT, made this 8TH day of MAY 2012, by TIMOTHY SOUTHWELL & KENDI SOUTHWELL, owner of the land hereinafter described and hereinafter referred to as "Owner", and AMERICAN MARINE & RV, LLC, AN OREGON LIMITED LIABILITY COMPANY present owner and holder of the leasehold estate created by the lease hereinafter described and hereinafter referred to as "Lessee";

WITNESSETH

THAT WHEREAS, TIMOTHY SOUTHWELL & KENDI SOUTHWELL, as Lessor, executed a lease dated JANUARY 25, 2012 covering that certain premises described as: SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF; in favor of AMERICAN MARINE & RV, LLC, AN OREGON LIMITED LIABILITY COMPANY, as Lessee;

WHEREAS, Owner has executed, or is about to execute, a deed of trust and note in the sum of \$300,000.00 dated MAY 8, 2012, in favor of Sterling Savings Bank 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 loan 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 lease above described and to the leasehold estate created thereby; and

WHEREAS, Lender is willing to make said loan provided the deed of trust securing the same is a lien or charge upon said land prior and superior to the lease above described and to the leasehold estate created thereby and provided that Lessee will specifically and unconditionally subordinate and subject the lease above described the leasehold estate created thereby together with all rights and privileges of Lessee thereunder, 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 make such loan to Owner; and lessee 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 lease above described and to the leasehold estate created thereby.

579111f memo of lease 2012-005268 82

NOW, THEREFORE, in consideration of the mutual benefits 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 make the loan above referred to, it is hereby declared, understood and agreed as follows:

1. That said deed of trust securing said note in favor of Lender, any renewals and extensions thereof, shall unconditionally be and remain at all times a lien or charge on the land described therein, prior and superior to the lease above described, to the leasehold estate created thereby and to all rights and privileges of Lessee thereunder, and said lease, the leasehold estate created thereby together with all rights and privileges of Lessee thereunder is hereby subject, and made subordinate, to the lien or charge of the deed of trust in favor of Lender.
2. That Lender would not make its loan above described without this subordination agreement.
3. That this agreement shall be the whole and only agreement with regard to the subjection and subordination of the lease above described and the leasehold estate created thereby together with all rights and privileges of Lessee thereunder 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 lease and the deed of trust hereinbefore specifically described, any prior agreements as to such subjection or subordination, including, but not limited to, those provisions, if any, contained in the lease above described, which provide for the subjection or subordination of said lease and the leasehold estate created thereby to a deed or deeds of trust or to a mortgage or mortgages.

Lessee declares, agrees and acknowledges that:

- a. He 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; and
- c. He intentionally and unconditionally waives, relinquishes, subjects and subordinates the lease above described, the leasehold estate created thereby together with all rights and privileges of Lessee thereunder 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, subjection 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, subjection and subordination.

4. JURY WAIVER. Borrower hereby waives any right to trial by jury of any claim arising out of this agreement or any other related document, whether now or hereafter arising and whether sounding in contract, tort or otherwise, and hereby consents and agrees that any such claim may, at Lender's election, be decided by trial without a jury and that Lender may file an original counterpart or copy of this section with any court as written evidence of the waiver and agreement contained herein.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR LEASE TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

LESSEE: AMERICAN MARINE & RV, LLC,
AN OREGON LIMITED LIABILITY COMPANY

OWNER: TIMOTHY SOUTHWELL & KENDI
SOUTHWELL

X BY: *Timothy Southwell*
TIMOTHY SOUTHWELL, MEMBER/MANAGER

X BY: *Timothy Southwell*
TIMOTHY SOUTHWELL

X BY: *Kendi Southwell*
KENDI SOUTHWELL, MEMBER/MANAGER

X BY: *Kendi Southwell*
KENDI SOUTHWELL



State of Oregon)

County of Klamath

On May 11, 2012 before me Kristi L. Redd

Notary Public, personally appeared

(40) Timothy Southwell & Kendi Southwell Members who 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.

I certify under PENALTY OF PERJURY under the laws of the State of Oregon that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

Signature Kristi L. Redd (Seal)

State of Oregon)

County of Klamath

On May 11, 2012 before me Kristi L. Redd

Notary Public, personally appeared

Timothy Southwell & Kendi Southwell, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of Oregon that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

Signature Kristi L. Redd (Seal)

Rev. 01/08

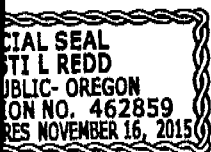


EXHIBIT "A"
LEGAL DESCRIPTION

Parcel 1:

A portion of Tract No. 1 of KIELSMEIER ACRE TRACTS, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the East line of said Tract No. 1 of KIELSMEIR ACRE TRACTS which is East along the highway a distance of 162.5 feet and South along said East line a distance of 135.0 feet from the Northwest corner of said Tract No. 1; thence continuing South along said East line a distance of 292.5 feet to a point; thence West parallel to the North line of said Tract No. 1, a distance of 162.5 feet to a point on the East right of way line of Wiard Street; thence North along said right of way line 292.5 feet to a point; thence East 162.5 feet to the point of beginning.

Parcel 2:

The West 150.5 feet of Tract 11, KIELSMEIER ACRE TRACTS, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.