

mtc 95193DS  
RECORDING REQUESTED BY:  
AmeriTitle

**When Recorded Mail Document To:**  
Zions First National Bank  
500 Fifth Street  
Ames, IA 50010

**2012-013951**  
Klamath County, Oregon  
12/14/2012 12:10:07 PM  
Fee: \$62.00

**Tax Parcel Numbers:**

R-3715-02300-0100-000-00500  
R-3715-02300-0100-000-07300  
R-3715-02300-0100-000-07301  
R-3715-02300-0100-000-07302  
R-3715-02300-0100-000-00101  
R-3716-1300-10186  
R-3716-1300-16273

Space Above This Line for Recordors Use Only

## **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 **November 16, 2012**, by **John Ward Excavation Service** owner of the land hereinafter described and hereinafter referred to as "Owner", and **Abiding Place Ministries** present owner and holder of the leasehold estate created by the lease hereinafter described and hereinafter referred to as "Lessee";

### **WITNESSETH**

THAT WHEREAS, **John Ward**, as lessor, executed a lease, date **May 18, 2011**, covering:  
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

in favor of **John Ward Excavation Services** as Lessor, and

WHEREAS, Owner has executed, or is about to execute, a Mortgage and Note in the sum of **\$1,000,000.00**, dated December 2012, in favor of **Zions First National Bank and/or successors and assigns**, hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which Mortgage is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said Mortgage 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 Mortgage securing the same is a lien or charge upon the above described property 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 and to the leasehold estate created thereby together with all rights and privileges of Lessee thereunder, to the lien or charge of the Mortgage in favor of Lender; and

62 Amt

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Subordination Agreement – continued

WHEREAS, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Lessee is willing that the Mortgage 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.

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 Mortgage securing said Note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, 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 subjected, and made subordinate, to the lien or charge of the Mortgage 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 Mortgage 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 Mortgage hereinbefore specifically described, any prior agreement 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 Mortgage or Mortgages.

Lessee declares, agrees and acknowledges that

- a) He consents to and approves (i) all provisions of the Note and Mortgage 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) He intentionally and unconditionally waives, relinquishes subjects and subordinates the lease above described, to 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 Mortgage 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; and

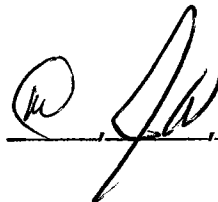
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Subordination Agreement – continued

**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 THE IMPROVEMENT OF THE LAND.**

INITIALS: \_\_\_\_\_

Handwritten initials, possibly "R" and "J", written over a horizontal line.

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**Exhibit "A"**

**LEGAL DESCRIPTION**

**Klamath County Property:**

Parcels 1, 2, and 3 of Final Partition Map #24-92, said Partition being located in Sections 13, 14, 15, 23, 24, 25 and 26 of Township 37 South, Range 15 East, Willamette Meridian, Klamath County, Oregon, and in Section 30, Township 37 South, Range 16 East, Lake County, Willamette Meridian. EXCEPT that portion of said Parcel 1 lying in Lake County, Oregon; AND EXCEPT that certain strip of land 100 feet wide conveyed to Bly Logging Company by Deed recorded July 31, 1929 in Volume 87, page 513, Deed Records of Klamath County, Oregon, and as delineated on the face of said Final Partition Map; AND EXCEPT those portions conveyed to the State of Oregon, by and through its Department of Transportation by Warranty Deed recorded August 8, 1995 in Volume M95, page 20941, Microfilm Records of Klamath County, Oregon; AND EXCEPT that portion of said Parcel 3 in Section 15, Township 37 South, Range 15 East, Klamath County, Oregon, lying Southerly of State Highway 140 as conveyed to Danny Baio by deed recorded March 10, 1999 in Volume M99, page 8512, Microfilm Records of Klamath County, Oregon.

**Lake County Property:**

In the County of Lake, State of Oregon, as follows:

Township 37 South, Range 16 East of the Willamette Meridian,  
Section 30: Government Lots 2 & 3;  
The SE1/4 of the NW1/4;  
The NE1/4 of the SW1/4.; EXCEPTING THEREFROM,  
That portion deed to the State of Oregon, by and through its Department of  
Transportation, Highway Division, recorded August 23, 1988, in Book 210 at  
Page 143 and recorded August 2, 1995, in Book 230 at Page 128, Lake County  
Deed Records, Oregon.

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Subordination Agreement -- continued

LESSEE?

Robert White, CFO Abiding Place Ministries  
Robert White, CFO Abiding Place Ministries

STATE OF California )SS

COUNTY OF San Diego )

On December 4, 2012, before me,  
Heather Illic, Notary Public (here insert name and title of the officer), personally  
appeared Robert Allen White

, 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 California that the foregoing paragraph is true and  
correct.

WITNESS my hand and official seal.

Signature Heather Illic (Seal)



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Subordination Agreement – continued

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS

WITH RESPECT THERETO.  
(CLTA SUBORDINATION FORM "D")

OWNER:

  
John Ward Excavation Service

STATE OF Mississippi )SS

COUNTY OF Jackson )

On December 5, 2012, before me,  
Debbie Bustin, Notary Public (here insert name and title of the officer), personally  
appeared John Ward

\_\_\_\_\_, 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 Debbie Bustin (Seal)

