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2015-007147
Klamath County, Oregon
07/01/2015 11:36:34 AM
Fee: \$62.00

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation
SUBORDINATION BY THE GOVERNMENT

Position 1 (Chattel Security)
Position 5 (Real Estate Security)

1. The Commodity Credit Corporation, a corporate agency of the United State of America, within the United States Department of Agriculture (called the "Government") is the owner and holder of the following-described instruments executed by

(a) Knoll Ranch LLC

of (b) Klamath County, State of Oregon:

(d) Title of Instrument	(e) Date of Instrument	(f) Date Filed	(g) Office Filed	(h) Document File or Book No.	(i) Page No.
Real Estate Mortgage for Facility Loan Program	April 2, 2013	April 4, 2013	Klamath County, OR	2013-003582	

AND, (j) Umpqua Bank (called the "Lender")
has agreed to loan (k) \$ 1,750,000 to (l) Knoll Ranch LLC
(called the "Borrower") for the following purposes: (m)

Refinance Northwest Farm Credit Services debt secured by Trust Deed recorded September 23, 2008, and Farm Service debt secured by Mortgage recorded December 19, 2008 and rerecorded February 12, 2010.

2. THEREFORE, in consideration of the Lender's agreement to make such loan to Borrower and meet other conditions of this subordination, the Government (1) consents to the Borrower obtaining the loan from the Lender for such purposes, and (2) agrees to and does subordinate in favor of the Lender and its successors and assigns its liens of security interests created or evidenced by the above described instruments insofar as they cover the following described property and provided the Lender perfects a lien on this property:

See attached Exhibit A.

3. This subordination is limited to (1) the amount actually loaned by the Lender to the Borrower (principal and accrued interest) for the foregoing purposes, (2) future advances for taxes, insurance, and payments on liens prior to the Lender's lien, and (3) the amount actually advanced for foreclosure costs made by the Lender. Any amount in excess of such amount will not be covered by this subordination unless prior written consent was obtained from the Government for incurring the expenditure in question.

4. The Lender must:

- a. Obtain a perfected security interest on the above property.
- b. Give notice of foreclosure as required by the Government.

5. FSA offsets under the Debt Collection Act (31 U.S.C. 3711 et seq.) or 7 C.F.R. part 3 have priority over this subordination.

6. When the indebtedness has been satisfied, lender must mark this form "PAID IN FULL" and return it to the

Department of Agriculture at the following address:

Klamath County Farm Service Agency

2316 S 6th St. Suite C

Klamath Falls, OR 97601

7. IN WITNESS WHEREOF, the Government has executed this subordination by signing on the (a) 30th day of (b) JUNE, (c) 20 15.

Commodity Credit Corporation

BY

(d)

Phillip C. Ward

State Executive Director

TITLE

(e)

FARM SERVICE AGENCY

8. ACKNOWLEDGMENT

STATE OF OREGON)

COUNTY OF Marion)

ss.

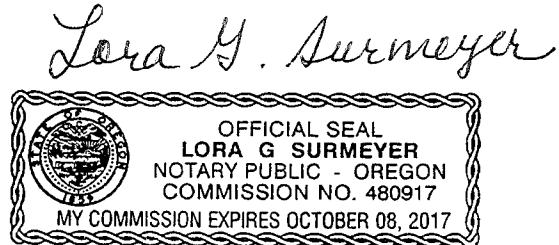
This instrument was acknowledged before me on, June 30 2015 by

Phillip C Ward as State Executive Director of the Farm Service Agency, United States Department of Agriculture.

NOTARY PUBLIC

State of Oregon

My Commission expires: 10-8-2017



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EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1:

In Township 37 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

Section 12: Government Lot 4;

Section 13: Government Lot 1, N1/2 of Lot 2, NE1/4 NE1/4, N1/2 SE1/4 NE1/4;

EXCEPT those portions of the above described properties heretofore conveyed to the State of Oregon for highway purposes in Deed Volume 224, page 139, Deed Records of Klamath County, Oregon.

ALSO EXCEPTING those portions of the above described properties heretofore conveyed to the Oregon Eastern Railway Company, an Oregon Corporation, for railroad right-of-way in Deed Volume 26, page 396, Deed Records of Klamath County, Oregon.

PARCEL 2:

In Township 37 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

Section 7: Government Lot 4, SE1/4 SW1/4,

Section 18: N1/2 NW1/4, Portions of the S1/2 NW1/4, more particularly described as follows:

Beginning at the Northeast corner of the SE1/4 NW1/4 of Section 18; thence Southwesterly along the center of the dredger cut to a point 10 chains North of the quarter section corner on the West line of said Section 18; thence North to the Northwest corner of SW1/4 NW1/4 of said Section 18, thence East along the North line of the S1/2 NW1/4 of Section 18 to the place of beginning.

EXCEPTING THEREFROM any portion laying in Algoma Road.

PARCEL 3:

Government Lots 5, 6 and 7; the SE1/4 SW1/4 and that portion of the NE1/4 SW1/4 lying West of the State Highway, all in Section 6. Government Lots 1, 2 and 3 and the E1/2 NW1/4 and the NE1/4 SW1/4 of Section 7, All in Township 37 South Range 9 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon by and through its State Highway Commission recorded May 14, 1948 in Volume 220, page 395 and recorded March 28, 1950 in Volume 237, page 565, all in Deed Records of Klamath County, Oregon.

EXCEPTING THEREFROM that portion lying in Government Lots 5 and 6 in Section 6, Township 37 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, conveyed to the State of Oregon by and through its Department of Transportation recorded July 29, 2004 in Volume M04, page 49556, Microfilm Records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM any portion laying in Algoma Road.

PARCEL 4:

Government Lot 1 in Section 1 and Government Lots 1, 2 and 3 of Section 12, all in Township 37 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon by and through its State Highway Commission recorded May 14, 1948 in Volume 220, page 395 and recorded March 28, 1950 in Volume 237, page 565, all in Deed Records of Klamath County, Oregon.

PARCEL 5:

That portion of the NE1/4 SW1/4 of Section 6, Township 37 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, lying Northeasterly of the old The Dalles-California Highway, now known as Algoma Road.