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AFTER RECORDING
PLEASE RETURN TO:

Henley KBG, LLC.
200 South Virginia Street Ste 560
Reno, Nevada 89501

Ph: 775-420-0654

THIS DOCUMENT WAS PREPARED BY:

Danyel Brown
BANK OF AMERICA, N.A.
6400 LEGACY DR.
PLANO, TX 75024

2016-006726
Klamath County, Oregon
06/24/2016 03:58:28 PM
Fee: \$62.00

SUBORDINATION AGREEMENT

Borrower: Ronald C Short and Kathleen G Short

Property Address: 7960 Short Road Klamath Falls, OR 97603

This Subordination Agreement dated March 15, 2016, is between Klamath Basin Geopower, Inc, a Nevada Corporation and Henley KBG, LLC, a Nevada limited liability company, (Subordinator),

And BANK OF AMERICA, NA, (New Senior Lender).

RECITALS

Optim Inc., a Nevada Corporation, (Subordinator), owned and held a promissory with accompanying mortgage/deed of trust/security deed

Dated November 8, 2010, and recorded in book N/A, page N/A, as Instrument Number 2011-000464 on January 13, 2011, assigned to Optim, Inc., a Nevada Corporation and Klamath Basin Geopower, Inc, a Nevada Corporation on January 19, 2011 and further assigned to Klamath Basin Geopower, Inc, a Nevada Corporation and Henley KBG, LLC, a Nevada limited liability company on June 1, 2014.

in Klamath (County), Oregon (State).

Borrowers are current owners of the Property, and wish to replace their current first position mortgage loan on the Property with a new first position mortgage loan secured by the Property

from New Senior Lender in the new principal sum not to exceed \$ 297,490.00

Dated: June 8, 2016. This will be the New Senior Security Instrument.

1. Subordination of Junior Lender's Interest.

Subordinator agrees that its security interest and all of subordinator's rights there under shall at all times be inferior and subordinate to the Senior Lender's new security instrument and Senior Lender's rights in the Property, including any extensions, renewals, or modifications up to a maximum amount of \$297,490.00, plus interest. Subordinator consents without possibility of revocation, and accepts all provisions, terms and conditions of the New Senior Lender's Security Instrument.

2. No Subordination to Additional Matters

Subordinator is subordinating its lien/security interest to the Senior Lender's security Instrument only, and not to other or future liens or security interests in the Property. Subordinator has no obligation to consent to future requests for subordination of its lien-security interest.

3. No Waiver of Notice

Upon the execution of the subordination of Subordinator's security instrument to the new Senior Lender, the Junior Lender waives no rights it may have, if any, under the laws of the State in which the Property is located, or any Federal rights to which the Junior Lender may be entitled.

4. Assignment

This agreement shall be binding upon and inure to the benefit of the Subordinator and Senior Lender, and their respective successors, assigns trustees, receivers, administrators, personal representatives, legatees, and devisees.

5. Governing (Applicable) Law

This agreement shall be governed by the laws of the State in which the Property is located.

6. Reliance

This Agreement can be relied upon by all persons having an interest in the Property or the New Security Instrument.

7. Notice

Any notice or other communication to be provided under this agreement shall be in writing and sent to the parties at the address described in this Agreement, or such other address as the parties may designate in writing from time to time.

8. Entire Agreement (Integration)

This Agreement and any related documents represent the complete and integrated understanding between Subordinator and New Senior Lender pertaining to the terms and conditions of this Agreement. Any waiver, modification, or notation of this agreement must be in writing, executed by New Senior Lender, (or its successors or assigns), or Subordinator, (its successors or assigns) and, if this Agreement was recorded in the real estate records of the government entity in which the Property is located, recorded in such real estate records, to be enforceable.

9. Waiver of Jury Trial

Subordinator and the New Senior Lender hereby waive any right to trial by Jury in any action arising out of, or based upon this Agreement.

10. Acceptance

Subordinator acknowledges that they have read, understand, and agree to the terms and conditions of this Agreement.

Klamath Basin Geopower, Inc., a Nevada Corporation

By: Jeri Coppa Knudson, Trustee 15-51578

Printed Name: JERI COPPA KNUDSON

Title: Trustee

Henley KBG, LLC., Inc., a Nevada limited liability company

By: Andrew Harris

Printed Name: Andrew Harris

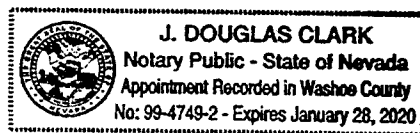
Title: Manager

State of Nevada
County of Washoe

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Teri Coppa Knudson, as TRUSTEE (title) of **Klamath Basin Geopower, Inc., a Nevada Corporation**, whose name(s) is/are signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they/he/she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 12th day of April, 2016.

(Seal)



[Signature]
Notary Public

My commission expires: JAN 2020

State of Nevada
County of Washoe

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Andrew Harris, as Manager (title) of **Henley KBG, LLC., Inc., a Nevada limited liability company**, whose name(s) is/are signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they/he/she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 29th day of April, 2016.

See Attached

(Seal)

[Signature]
Notary Public

My commission expires: 2/13/18

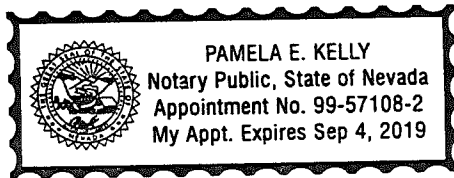
State of Nevada
County of Washoe

On 6/23/16 (date) Cheryl Czyn (subscribing witness) personally appeared before me, whom I know to be the person who signed this jurat of a subscribing witness while under oath, and swears that he or she was present and witnessed) Andrew Harris (signer of the document) sign his or her name to the above document.

Cheryl Czyn
(Signature of subscribing witness)

Signed and sworn before me on 6/23/16 (date) by Cheryl Czyn (subscribing witness).

(Seal, if any)



Pamela E. Kelly, Notary
(Signature of notarial officer)
Title (and Rank)