

**2016-009965****Klamath County, Oregon****09/20/2016 11:49:00 AM****Fee: \$72.00**

After Recording Return To:

Northwest FCS – Klamath Falls  
300 Klamath Ave, Ste 200  
Klamath Falls, OR 97601-6308

### **SUBORDINATION AGREEMENT**

This Subordination Agreement (this “Agreement”) is made effective September 19, 2016, by and between **NORTHWEST FARM CREDIT SERVICES, PCA** (hereinafter referred to as “PCA”) and **NORTHWEST FARM CREDIT SERVICES, FLCA** (hereinafter referred to as “FLCA”).

**WHEREAS, PCA** is the holder of certain loan(s), under the terms of certain note(s) and loan documents, as amended (the “PCA Loan”), secured, all or in part, by that certain Line of Credit Deed of Trust and Fixture Filing, dated August 1, 2016, recorded on August 2, 2016, as Instrument No(s). 2016-008177, records of Klamath County, State of Oregon and Modification of Line of Credit Mortgage and Fixture Filing dated August 17, 2016, recorded August 19, 2016, as Instrument No(s). 2016-008842, as modified, amended or supplemented; collectively, (the “PCA Security Instrument”);

**WHEREAS, FLCA** intends to extend or amend certain loan(s), under the terms of certain note(s) and loan documents, as amended (the “FLCA Loan”), secured, all or in part, by that certain Deed of Trust and Fixture Filing, dated August 17, 2016, recorded on August 19, 2016, as Instrument No(s). 2016-008841, records of Klamath County, State of Oregon, as modified, amended or supplemented; collectively, (the “FLCA Security Instrument”);

**WHEREAS,** The PCA Loan and the FLCA Loan are and will be secured by, in relevant part, all or a portion of the property described in the PCA Security Instrument and the FLCA Security Instrument, including all improvements and personal property referenced therein (collectively, the “Property”), located on the real property described on Exhibit A attached hereto.

**NOW, THEREFORE,** in consideration of FLCA making or amending the FLCA Loan, PCA and FLCA agree as follows:

PCA’s interest in the Property is subordinate to FLCA’s interest in the Property securing the FLCA Loan, including all interest, advances or charges made or accruing thereunder, if any.

In the event of default in the obligations under the FLCA Loan prior to satisfaction of the PCA Loan, the proceeds from any foreclosure sale, less expenses of the sale, shall be distributed first to the FLCA Loan, with the balance of the proceeds, if any, distributed to the PCA Loan.

This Agreement does not affect PCA’s or FLCA’s right to enforce any loan documents, for either the PCA Loan or the FLCA Loan in accordance with their terms and does not alter the relative priority of liens on any collateral other than the Property which is commonly described in both the PCA Security Instrument and the FLCA Security Instrument.

Subordination Agreement  
(Cerule, LLC/Note No. 6229824, 6229826;  
HWN-KF’s Antarctica, LLC/Note No. 6013172, 6079429, 6094036, 6103300)

This Agreement shall be for the benefit of and binding upon the successors and assigns of all parties to this Agreement.

**NORTHWEST FARM CREDIT SERVICES, PCA**

By: [Signature]  
Authorized Agent

**NORTHWEST FARM CREDIT SERVICES, FLCA**

By: [Signature]  
Authorized Agent

STATE OF Oregon )  
County of Klamath )ss.

On this 19<sup>th</sup> day of September, 2016, before me personally appeared Mitchell K. Stokes, known to me to be an authorized agent of Northwest Farm Credit Services, PCA, that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.



[Signature]  
Printed Name Sarah Kellom  
Notary Public for the State of Oregon  
Residing at Klamath Falls, Oregon  
My commission expires July 19, 2020

STATE OF Oregon )  
County of Klamath )ss.

On this 19<sup>th</sup> day of September, 2016, before me personally appeared Mitchell K. Stokes, known to me to be an authorized agent of Northwest Farm Credit Services, FLCA, that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.



[Signature]  
Printed Name Sarah Kellom  
Notary Public for the State of Oregon  
Residing at Klamath Falls, Oregon  
My commission expires July 19, 2020

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**EXHIBIT A TO  
SUBORDINATION AGREEMENT**

**Parcel 1: (KENO FACILITY)**

Parcel 1 of Land Partition 43-95 situated in Government Lot 1 (NW1/4NE1/4) Section 7, Township 40 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL 2: (AVALON)**

Lots 13, 14, and 15 in Block 4 of FIRST ADDITION TO ALTAMONT ACRES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, TOGETHER WITH vacated Maryland Avenue (formerly Tappen Avenue) adjacent thereto.

**PARCEL 3: (WASHBURN)**

A tract of land situated in the SW1/4 of NW1/4 of Section 10, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon and Lot 7 in Block 4 of THIRD ADDITION TO ALTAMONT ACRES. Beginning at a point that is 327 feet North of the intersection of the North line of LaVerne Street and the East line of Washburn Way; thence South along the East line of Washburn Way 100 feet; thence East parallel to the North line of LaVerne Street to the West line of Lot 10 in Block 4 of THIRD ADDITION TO ALTAMONT ACRES; thence North along said West line 54.6 feet to the Northwest corner of said Lot 10; thence East along the North line of Lots 8, 9 and 10 in Block 4, 300 feet to the West line of Avalon Street; thence North along said street 45.4 feet; thence West parallel to the North line of LaVerne Street to the point of beginning.

EXCEPTING THEREFROM the following described parcel: Beginning at the Northwest corner of said Lot 10; thence East along the North line of Lots 8, 9 and 10, Block 4, 300 feet to the West line of Avalon Street; thence North along said street 45.4 feet; thence West parallel to the North line of LaVerne Street to a point on the West line of Lot 7, Block 4, THIRD ADDITION TO ALTAMONT ACRES, thence South along the West line of said Lot 7 to the point of beginning.

FURTHER EXCEPTING that portion deeded to the State of Oregon for highway purposes by instrument recorded September 10, 1965 in Volume M65, page 1556, Microfilm Records of Klamath County, Oregon.

**PARCEL 4: (COVE)**

Government Lots 2 and 4 of Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, BUT EXCEPTING THEREFROM the Northerly and Northeasterly parts thereof deeded to R. W. Browning, et ux., by deed recorded in Deed Volume 210, page 321, Klamath County, Oregon.

ALSO, that part of Government Lot 3, Section 13, Township 38 South, Range 8 East of the Willamette Meridian which lies Northeasterly of the right of way of the Central Pacific Railway Company.

TOGETHER WITH that portion of Parcel 1, Land Partition 35-98, conveyed to Klamath Veneer, Inc., an Oregon Corporation to complete Property Line Adjustment 9-00, by Deed recorded June 2, 2000 in Volume M00, page 19996, being more particularly described as follows:

Commencing at the Southwest corner of the NE1/4NE1/4 of Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon; thence along the South line of said NE1/4NE1/4 of said Section 13, North 89°37'10" East 338.20 feet to a 5/8 inch iron rod; thence South 00°22'50" East 185.41 feet to a 5/8 inch iron

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rod which is the true point of beginning for this description; thence South 80°41'50" East 38.30 feet to a 5/8 inch rod; thence South 61°49'50" East 122.52 feet to a 5/8 inch iron rod; thence South 89°37'10" West 644.05 feet; thence North 11°05'34" East 54.41 feet to a 5/8 inch iron rod; thence North 75°39'14" East 132.52 feet; thence North 88°12'14" East 209.19 feet; thence South 80°42'14" East 152.23 feet to the true point of beginning.

AND EXCEPTING THEREFROM that portion thereof conveyed to Cynthia Bourgeau and Kriss Wessling to complete Property Line Adjustment 9-00, by Deed recorded June 2, 2000 in Volume M00, page 19998, being more particularly described as follows:

A parcel of land situated in the SW1/4NE1/4 of Section 13, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Commencing at a 5/8 inch iron rod marking the Southeast corner of Parcel 1 of Klamath County Land Partition 35-98 which bears South 72°58'30" West 873.82 feet from the center ¼ corner of said Section 13; thence South 89°37'10" West 937.66 feet to ½ inch iron rod which is the true point of beginning for this description; thence continuing South 89°37'10" West 65.11 feet, more or less, to the mean high water line of Upper Klamath Lake; thence Southeasterly along said mean high water line 353 feet, more or less, to a 5/8 inch iron rod; thence North 11°05'34" East 101.70 feet; thence South 89°37'10" West 293.61 feet to the true point of beginning.

Parcel 5: (COLD STORAGE)

Lots 6A, 6B, 7A, 7B, 8A, 8B and 9A in Block 3 of RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Parcel 6: (COLD STORAGE)

Lots 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 in Block 11 of RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Lots 6, 7, 8, and 9 in Block 19 and Lots 1, 2, 3, 4 and 5 in Block 20 of SECOND RAILROAD ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

All of Vacated Lake Street being bounded on the North by the South line of Lot 5 in Block 20 of Second Railroad Addition, on the West by the East line of Spring Street on the South by the North line of Lot 6 in Block 19 of Second Railroad Addition, and on the East by West line of the Southern Pacific Railroad right of way, all in Second Railroad Addition to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Code No.	Account No.	Map No.
021	R619414	R-4008-00700-00400-000
052	R585272	R-4008-00700-00400-000
021	R897464	R-4008-00700-00400-000
041	R527923	R-3909-003CD-05200-000
041	R542498	R-3909-010BC-02600-000
183	R421706	R-3808-01300-00800-000
041	P895590	P-010264
041	P894163	P-01264
001	R-478227	R-3809-033BC-00400-000
001	R478236	R-3809-033BC-00500-000

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001	R478469	R-3809-033BC-00600-000
001	R414634	R-3809-033BB-06500-000
001	R414643	R-3809-033BB-06700-000
001	R414652	R-3809-033BB-06600-000
001	R897468	R-3809-033BC-00500-000

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