

MTG 1371264M

2016-012097

Klamath County, Oregon

11/10/2016 03:09:05 PM

Fee: \$57.00

After recording return to:
Bendich, Stobaugh & Strong
701 Fifth Avenue, #4850
Seattle, WA 98104

SUBORDINATION OF LEASE AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT. IT IS RECOMMENDED THAT PRIOR TO EXECUTION OF THIS SUBORDINATION AGREEMENT THE SUBORDINATOR CONSULT WITH HER ATTORNEY.

The undersigned subordinator agrees as follows:

1. THE CARRIAGE WORKS LLC, referred to herein as "Subordinator", is the lessee of a lease with DUNHAM HOLDINGS, LLC covering the premises described at attached Exhibit "A." A Memorandum of that Lease was recorded at Klamath County Recording No. ~~4~~.
2. DUNHAM HOLDINGS, LLC owns the real property described in Paragraph 1 and is referred to herein as "Owner."
3. Owner has executed, or is about to execute, a deed of trust in favor of Evergreen Business Capital ("CDC") to secure a note in the original principal amount of \$657,000.00. This deed of trust and note will be assigned by CDC to the United States Small Business Administration ("SBA"). The deed of trust will be referred to in this document as "the SBA Deed of Trust" and CDC and SBA will be referred to collectively as "Lender." The SBA Deed of Trust was recorded at Klamath County Recording No. ~~4~~.
4. In consideration of benefits to Subordinator from Owner, receipt and sufficiency of which is hereby acknowledged, and to induce Lender to advance funds under the note and all agreements in connection therewith the Subordinator does hereby unconditionally subordinate its interest in the lease identified in paragraph 1 above to the lien of the SBA Deed of Trust, and all advances or charges made or accruing thereunder, including any extension or renewal thereof.
5. Upon completion of any foreclosure of the SBA Deed of Trust, Subordinator's leasehold interest in the premises will be automatically terminated.
6. It is understood by the parties hereto that Lender would not make the loan secured by the SBA Deed of Trust without this agreement.
7. This agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the lease above mentioned to the SBA Deed of Trust and shall supersede and cancel any prior agreements as to such.

~~4~~ Recorded concurrently here with

8. The heirs, administrators, assigns and successors in interest of the Subordinator shall be bound by this agreement. Where the word "mortgage" appears herein it shall be considered as "deed of trust", and vice versa. Gender and number of pronouns are considered to conform to undersigned.

EXECUTED this 1st day of November, 2016.

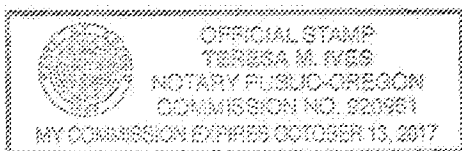
THE CARRIAGE WORKS LLC

By: [Signature]
Brian W. Dunham, Member

State of Oregon)

County of Douglas) ss.

This instrument was acknowledged before me on Nov. 1st 2016
2016, by Brian W. Dunham as Member of THE CARRIAGE WORKS LLC.



[Signature]
Notary Public in and for the State of Oregon
My commission expires: 10/13/17

\\wardec\sub.lease.doc
219.09.02.doc

EXHIBIT A
LEGAL DESCRIPTION

Parcel 1

Lots 2 and 3, KLAMATH FALLS INDUSTRIAL PARK - TRACT 1463, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

Parcel 2

A parcel of land being the South 84.50 feet of Lot 4 of KLAMATH FALLS INDUSTRIAL PARK, TRACT 1463, a duly recorded subdivision at the Klamath County Clerk's Office, situated in the SW 1/4 of Section 15 and the NW 1/4 of Section 22, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the Northwest corner of Lot 3 of said Tract 1463, said point being marked by a 5/8" x 30" rebar with a yellow plastic cap stamped "Rhine-Cross Group LLC", thence along the Westerly boundary line of Lot 4 of said Tract 1463, North 01°21'39" East 84.50 feet to a 5/8" x 30" rebar with a yellow plastic cap stamped "Rhine-Cross Group LLC", thence leaving said Westerly boundary line, South 88°38'21" East 604.57 feet to a point on the Westerly Right-of-Way line of Allamont Drive, said point being marked by a 5/8" x 30" rebar with a yellow plastic cap stamped "Rhine-Cross Group LLC", thence along said Westerly Right-of-Way line along an offset spiral curve to the left, a chord distance of South 00°24'47" West 84.51 feet to the Northeast corner of said Lot 3, said point being marked by a 5/8" x 30" rebar with a yellow plastic cap stamped "Rhine-Cross Group LLC", thence along the North line of said Lot 3, South 88°38'21" East 605.97 feet to the point of beginning.

EXHIBIT "A"

LEGAL DESCRIPTION

Parcel 1

Lot 2, KLAMATH FALLS INDUSTRIAL PARK - TRACT 1463, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

Parcel 2

Lot 3, KLAMATH FALLS INDUSTRIAL PARK - TRACT 1463, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

Parcel 3

A parcel of land being the South 84.50 feet of Lot 4 of KLAMATH FALLS INDUSTRIAL PARK, TRACT 1463, a duly recorded subdivision at the Klamath County Clerk's Office, situated in the SW1/4 of Section 15 and the NW1/4 of Section 22, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon being more particularly described as follows:

Beginning at the Northwest corner of Lot 3 of said Tract 1463, said point being marked by a 5/8" x 30" rebar with a yellow plastic cap stamped "Rhine-Cross Group LLC", thence along the Westerly boundary line of Lot 4 of said Tract 1463, North 01°21'39" East 84.50 feet to a 5/8" x 30" rebar with a yellow plastic cap stamped "Rhine-Cross Group LLC", thence leaving said Westerly boundary line, South 88°38'21" East 604.57 feet to a point on the Westerly Right-of-Way line of Altamont Drive, said point being marked by a 5/8" x 30" rebar with a yellow plastic cap stamped "Rhine-Cross Group LLC", thence along said Westerly Right-of-Way line along an offset spiral curve to the left, a chord distance of South 00°24'47" West 84.51 feet to the Northeast corner of said Lot 3, said point being marked by a 5/8" x 30" rebar with a yellow plastic cap stamped "Rhine-Cross Group LLC", thence along the North line of said Lot 3, South 88°38'21" East 605.97 feet to the point of beginning.