

260307AM

Recording Requested by:

WHEN RECORDED MAIL TO:

Golden State Farm Credit, FLCA
P.O. Box 929
Chico, CA 95927

2019-000140

Klamath County, Oregon

01/04/2019 03:32:01 PM

Fee: \$102.00

Space Above This Line For Recorder's Use

Loan No. 2724356001

SUBORDINATION AGREEMENT
Agricultural Lease

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

In consideration of the making of a loan by **Golden State Farm Credit, FLCA** ("Lender") to **LM Cattle Company, a California Partnership** ("Owner"), Owner is about to execute a deed of trust or mortgage and a promissory note in the sum of **\$753,000.00**, dated **December 14, 2018** in favor of Lender. Said deed of trust or mortgage is to be recorded concurrently herewith. Said deed of trust or mortgage also secured additional loans or advances and all renewal, reamortizations, and extensions of the indebtedness secured thereby.

FOR DESCRIPTION OF REAL PROPERTY SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF.

The undersigned and Owner are parties to an unrecorded lease (the "Lease"). The undersigned hereby subordinates the Lease to the deed of trust or mortgage and to the lien thereof, and all of the undersigned's rights under the Lease including, without limitation, any right of renewal, option to purchase, right of first refusal, or any similar right affecting the real property described in the deed of trust or mortgage or any portion thereof and hereby agrees that said deed of trust or mortgage shall unconditionally be and remain at all times a lien or charge prior and superior to the Lease above described and to the leasehold estate created thereby.

Dated: December 14, 2018

LESSEE:

Bill Owens Ranch, LLC, a California Limited Liability Company

By: Edward R. Owens

Edward R. Owens, Member

By: Gerald H. Owens

Gerald Owens, Member

OWNER:

LM Cattle Company, a California Partnership

By: Mark Owens

Mark Owens, Partner

By: Lauren Owens

Lauren Owens, Partner

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Tehama

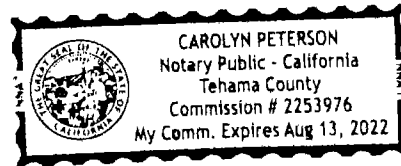
On Dec 24 2018 before me, Carolyn Peterso, Notary Public, personally appeared Laureen Peter Owens, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ 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 [Handwritten Signature]

Signature of Notary



Notary Public Seal

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

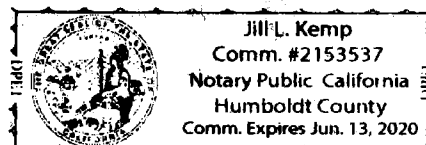
County of Butte

On December 24, 2018 before me, Jill L. Kemp, Notary Public, personally appeared Mark Owens, 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 Jill L Kemp
Signature of Notary



Notary Public Seal

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Tehama

On Dec 21 2018 before me, Carolyn Peterson, Notary Public,

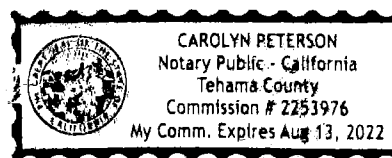
personally appeared Gerald H Owens, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ 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

[Signature]
Signature of Notary



Notary Public Seal

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Glenn

On December 21, 2018 before me, Lorene Silva, Notary Public,

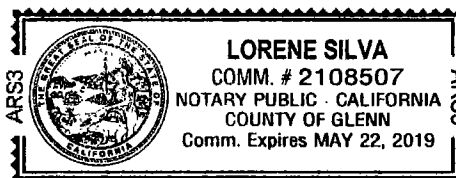
personally appeared Edward R. Owens, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ 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

[Signature]
Signature of Notary



Notary Public Seal

EXHIBIT A

Attachment to Subordination Agreement - Ag Lease

Dated: December 14, 2018

Loan No. 2724356001

LM Cattle Company

Page 1 of 2

TRACT 1:

Township 33 South, Range 7 1/2 East of the Willamette Meridian, Klamath County, Oregon.

Section 8: E 1/2 SE 1/4; and the E 1/2 NE 1/4

Section 9: Government Lots 1 and 2; and the W 1/2 NW 1/4; and Government Lots 3 and 4; and the SW 1/4

EXCEPTING THEREFROM that portion lying within the right of way of Crater Lake Highway.

ALSO EXCEPTING THEREFROM that portion deeded to the State of Oregon by and through its Department of Transportation, Highway Division recorded October 8, 1991 in Volume M91, page 20911, Microfilm Records of Klamath County, Oregon.

TRACT 2:

The following described property lying in Township 33 South, Range 7 1/2 East of the Willamette Meridian, Klamath County, Oregon.

Section 15: Government Lots 3, 11, 12 and 13

Section 16: Government Lot 6 and a portion of Government Lot 7 more particularly described as follows:

Beginning at the quarter section corner between Sections 15 and 16, said Township and Range; thence South along the section line 10.33 chains to an iron pin; thence West 10 chains to the West boundary of the Military Hay Reservation as approved by Wm. H. Odell May 19, 1873, thence North 16°18' West along said boundary to the line between said Lots 6 and 7; thence East 13.05 chains to the point of beginning.

Excepting therefrom the above described property that portion conveyed to the State of Oregon, by and through the Department of Transportation, Highway Division, recorded April 19, 1991 in Volume M91, page 7203, Microfilm Records of Klamath County, Oregon.

Together with the right to divert 1.60 cfs from April 1st to July 20th, thereafter .80 cfs until the close of the irrigation season, not to exceed 3 acre feet per season of Surface water from Anna Creek a tributary of Wood River all as more fully described under Certificate No. 1097 issued by the Oregon State Water Resource Department.

Together with the right to divert 80 cfs per acre not to exceed 5 acre feet per irrigation season of Surface water from Wood River a tributary of Upper Klamath Lake all as more fully described under Certificate No. 76152 issued by the Oregon State Water Resource Department.

Together with the right to divert 80 cfs per acre not to exceed 3 acres feet per season of Supplemental water rights from 6 wells all as more fully described under Application No. G15834, Permit No. G17506 issued by the Oregon State Water Resource Department.

Together with the right to divert 3.26 cfs from April 1st to July 20th, thereafter 1.63 cfs until the close of the irrigation season, not to exceed 3 acre feet of Surface water from Anna Creek, a tributary of Wood River all as more fully described under Certificate No. 1091 issued by the Oregon State Water Resource Department.

Together with the right to divert 1 cfs from April 1st to July 20th, thereafter .50 cfs until the close of the irrigation season not to exceed 3 acre feet of Surface water from Anna Creek, a Tributary of Wood River all as more fully described under Certificate No. 1094 issued by the Oregon State Water Resource Department.

Together with the right to divert 11.63 cfs from April 1st to July 20th, thereafter 5.82 cfs until the close of the irrigation season, not to exceed 3 acre feet of Surface water from Anna Creek, a tributary of Wood River all as more fully described under Certificate No. 1108 issued by the Oregon State Water Resource Department.