

2007-018862

Klamath County, Oregon



11/05/2007 09:18:00 AM

Fee: \$46.00

Re: Randy Windlin  
P.O. Box 9491  
Bend, OR 97708

SUBORDINATION, NONDISTURBANCE AND ATTORNMENMENT AGREEMENT

THIS AGREEMENT is entered into as of July 23, 2007 by and between RCC ATLANTIC, INC., a corporation ("RCC") and South Valley Bank & Trust ("Lender").

WITNESSETH:

WHEREAS, Lender is now the owner and holder of (i) a Deed of Trust dated October 29, 2004, recorded November 4, 2004 in Volume M04, Page 75836 in the official records in Klamath County, Oregon (collectively, the "Mortgage"), which Mortgage secures certain indebtedness owed to Lender by Klamath Medical Business Center, LLC, an Oregon limited liability company (the "Lessor") and which encumbers that certain real property, together with the buildings and improvements thereon, known as 2909 Daggett Avenue, Klamath Falls, OR 97601; and

WHEREAS, RCC is the lessee under a Lease Agreement with Lessor (the "Lease") dated October 4, 2007 covering certain premises described in Exhibit A attached hereto and incorporated herein by this reference and more particularly described in the Lease (hereinafter referred to as the "Premises"); and

WHEREAS, RCC and Lender desire to confirm their understanding with respect to the Lease and the Mortgage.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Lender and RCC hereby agree and covenant as follows:

1. The Lease and the rights of RCC thereunder are now and at all times hereafter shall be subject and subordinate to the Mortgage and to all renewals, modifications or extensions thereof, to the full extent of the principal and all other indebtedness secured thereby.
2. So long as RCC is not in default (beyond any period given RCC to cure such default) in the payment of rent or in the performance of any of the terms, covenants or conditions of the Lease on RCC's part to be performed, RCC's possession of the Premises and RCC's rights and privileges under the Lease, or any renewals, modifications, or extensions thereof which may be effected in accordance with any option granted in the Lease, shall not be diminished or interfered with by Lender, and RCC's occupancy of the Premises shall not be disturbed by Lender during the term of the Lease or any such renewals, modifications, or extensions thereof.
3. So long as RCC is not in default (beyond any period given RCC to cure such default) in the payment of rent or in the performance of any of the terms, covenants or conditions of the Lease on RCC's part to be performed, Lender will not join RCC as a party defendant for the purpose of terminating or otherwise affecting RCC's interest and estate under the Lease in any action or proceeding brought by Lender for the purpose of enforcing any of its rights in the event of any default under the Mortgage; provided however, Lender may join RCC as a party in any such action or proceeding if such joinder is necessary under any statute or law for the purpose of effecting the

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Klamath Falls North

remedies available to the Lender under the Mortgage, but only for such purpose and not for the purpose of terminating the Lease.

4. If Lender shall become owner of the Premises by reason of foreclosure or other proceedings brought by it or by any other manner, or if Lender succeeds to the interests of the lessor under the Lease, RCC shall be bound to Lender under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof which may be effected in accordance with any renewal or extension option granted in the Lease, with the same force and effect as if Lender were the Lessor under the Lease, and RCC does hereby attorn to Lender as its Lessor, such attornment to be effective and self-operative without the execution of any further instruments on the part of any of the parties hereto; provided, however, that RCC shall be under no obligation to pay rent to Lender until RCC receives written notice from Lender that it has become such owner or has succeeded to the interest of the Lessor under the Lease. The respective rights and obligations of RCC and Lender upon such attornment, to the extent of the then remaining balance of the term of the Lease and any such extensions and renewals, shall be and are the same as now set forth therein; it being the intention of the parties hereto for this purpose to incorporate the Lease in this Agreement by reference with the same force and effect as if set forth at length herein.

5. If Lender shall become owner of the Premises or if Lender shall succeed to Lessor's interest in the Lease, then during the period of Lender's ownership of such interest, but not thereafter, Lender shall be bound to RCC under all the terms, covenants and conditions of the Lease, and during the period of Lender's ownership of Lessor's interests in the Lease, RCC shall have the same remedies against Lender for the breach of an agreement contained in the Lease that RCC would have had against Lessor if Lender had not become such owner or had not succeeded to Lessor's interest therein; provided, however, that notwithstanding any provision in the Lease to the contrary, Lender shall not be:

(a) Liable for any act or omission of any prior lessor arising under the Lease (including the Lessor) or subject to any offsets or defenses which RCC may have against any prior lessor arising under the Lease (including the Lessor); or

(b) bound by any rents or additional rent which RCC might have paid for more than the current month to any prior lessor (including the Lessor); or

(c) bound by any amendment or modification of the Lease made without its consent which (i) decreases the rents or other contractual sums payable by RCC, (ii) extends the term or renewal options beyond that as stated in the Lease, or (iii) imposes any greater obligations on Lessor than are set forth in the Lease; or

(d) in any way responsible for any deposit or security which was delivered to Lessor but which was not subsequently delivered to Lender.

6. The terms "holder of mortgage" and "Lender" or any similar term herein or in the Lease shall be deemed to include Lender and any of its successors or assigns, including anyone who shall have succeeded to ownership of the Premises or to Lessor's interest by, through or under foreclosure of the Mortgage, or deed in lieu of such foreclosure or otherwise.

7. The term "Lessor" shall be deemed to include Lessor, the holder of the lessor's interest in the Lease and the heirs, personal representatives, administrators, successors and assigns of any of the foregoing.

8. The Lessor has assigned or may assign to Lender all of Lessor's right, title and interest in the Lease by an Assignment of Rents and Leases ("Rent Assignment"). If in the future there is a default by the Lessor in the performance and observance of the terms of the Mortgage, the Lender may at its option under the Rent Assignment require that all rents and other payments due under the Lease be paid directly by Lender. Upon notification to that effect by the Lender, the Lessor hereby authorizes and directs the RCC and the RCC agrees to pay any payments due under the terms of the Lease to the Lender. The Rent Assignment does not diminish any obligations of the Lessor under the Lease or impose any such obligations on the Lender.

9. This Agreement may not be modified except by a written agreement signed by the parties hereto or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective heirs, personal representatives, administrators, successors and assigns.

10. Any notice required herein or by applicable law shall be deemed properly given (a) when personally delivered (to the person or department if one is designated below), (b) as of the delivery date shown on the return receipt when sent by United States Mail, certified or registered, postage prepaid, return receipt requested, or (c) one day after the date sent by Federal Express or overnight United States Mail or other national overnight carrier, and addressed in each such case as set forth below:

If to RCC:

RCC Atlantic, Inc.  
3905 Dakota Street  
Alexandria, Minnesota 56308  
Attn: Real Estate Manager

If to Lender:

South Valley Bank & Trust  
Commercial Branch  
P.O. Box 5210  
Klamath Falls, OR 97601

Either party may by notice given as herein provided change its address to another single address.

IN WITNESS WHEREOF, the parties have executed this Agreement on the respective dates set forth in the acknowledgments below.

**Lender**

**SOUTH VALLEY BANK & TRUST**

By: Jeffrey S. Bradford  
Its: Vice President

**RCC**

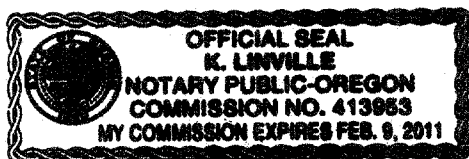
**RCC ATLANTIC, INC.**

By: Richard Ekstrand  
Its: RICHARD EKSTRAND  
PRESIDENT/CEO

STATE OF OREGON       )  
COUNTY OF KLAMATH   )

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Jeffrey S. Bradford, of SOUTH VALLEY BANK & TRUST, as its Vice President is signed to the foregoing agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of the agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Corporation.

Given under my hand this 23 day of July, 2007.



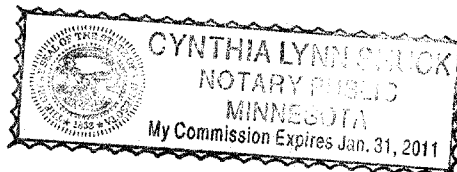
K. Linville  
NOTARY PUBLIC  
My Commission Expires: 2-9-11

STATE OF MINNESOTA     )  
DOUGLAS COUNTY         )

I, the undersigned authority, A Notary Public in and for said county in said state, hereby certify that Richard Ekstrand whose name as Pres/CEO of RCC Atlantic, Inc., a corporation, is 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, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 3 day of October, 2007.

Cynthia  
NOTARY PUBLIC  
My Commission Expires: \_\_\_\_\_



**Exhibit A**  
**Premises Description**

**Lot 1, Block 1, Tract No. 1163, CAMPUS VIEW, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.**