

2017-011203

Klamath County, Oregon

10/03/2017 09:45:01 AM

Fee: \$152.00

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

Umpqua Bank
1111 Third Avenue, Suite 2900
Seattle, Washington 98101
Attention: Brianne Nevill

AmerTitle 172980 An

PRIORITY AND SUBORDINATION AGREEMENT

This PRIORITY AND SUBORDINATION AGREEMENT ("Agreement") is made as of September 29, 2017, by and among: UMPQUA BANK, an Oregon banking corporation ("Senior Lender"); NETWORK FOR OREGON AFFORDABLE HOUSING, an Oregon nonprofit corporation ("NOAH"); KLAMATH HOUSING AUTHORITY, a political subdivision of the State of Oregon ("Sponsor"); the STATE OF OREGON, acting by and through its HOUSING AND COMMUNITY SERVICES DEPARTMENT ("OHCS"); and SKY MEADOWS, LLC, an Oregon limited liability company ("Borrower"). Senior Lender, NOAH, Sponsor, and OHCS are referred to collectively as "Lenders." Collectively, all the parties hereto are referred to as "Parties" and each individually, a "Party." This Agreement shall be recorded against the property legally described in Exhibit A attached hereto (the "Property").

Recitals

A. Sponsor is the fee owner of the Property and has leased the Property to Borrower pursuant to three lease agreements, each dated as of September 29, 2017, memoranda of which were recorded under Instrument Numbers 2017-011094, 2017-011095, and 2017-011096, records of Klamath County, Oregon (collectively, the "Lease Agreement").

B. Senior Lender is making a construction loan (the "Senior Loan") to Borrower in the original principal amount of \$5,000,000, evidenced by a promissory note from Borrower to Senior Lender in the amount of the Senior Loan, and secured by, among other things, that certain Fee and Leasehold Deed of Trust, Security Agreement, Assignment of Leases and Rents, and Fixture Filing from Borrower as grantor to Senior Lender as beneficiary (the "Senior Deed of Trust") covering the Property, together with all improvements thereon and personal property used relative thereof, all as more particularly described in the Senior Deed of Trust recorded on September 29, 2017, under Instrument Number 2017-011103, records of Klamath County, Oregon. The Senior Deed of Trust and all other documents associated with the Senior Loan will be referred to as the "Bank Loan Documents."

C. NOAH has issued a written commitment dated September 29, 2017 (the "NOAH Commitment") to make a permanent loan to Borrower in an amount not to exceed

\$ 430,000.00 (the "NOAH Loan" or the "Term Loan"). As contemplated in the NOAH Commitment, the NOAH Loan will be evidenced by an amended Promissory Note (the "NOAH Note") and secured by an amended Deed of Trust with Absolute Assignment of Leases and Rents Security Agreement and Fixture Filing (the "NOAH Deed of Trust"), to be recorded in Klamath County, Oregon. The NOAH Note, the NOAH Deed of Trust, and all other documents associated with the NOAH Loan will be referred to as the "NOAH Loan Documents."

D. Sponsor has received an award of HOME Investment Partnership Program funds from OHCS (the "HOME Loan"). The original principal amount of the HOME Loan is \$500,000, evidenced by a promissory note from Borrower to OHCS and secured by a Deed of Trust, Line of Credit Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing covering a portion of the Property (the "HOME Deed of Trust"), recorded on September 29, 2017, under Instrument Number 2017-011106, records of Klamath County, Oregon. Sponsor has executed a HOME Regulatory Agreement, Declaration of Restrictive Covenants and Equitable Servitudes (the "HOME Declaration") recorded on September 29, 2017, under Instrument Number 2017-011107, records of Klamath County, Oregon. The HOME Deed of Trust, the HOME Declaration, and all other documents associated with the award of HOME funds will be referred to as the "HOME Documents."

E. OHCS has provided a grant to Sponsor which includes additional restrictive covenants relating to the Property as evidenced by (i) Low-Income Weatherization Program Grant Agreement and Declaration of Restrictive Covenants, recorded on September 29, 2017, as Recording No. 2017-011108 in the records of Klamath County, Oregon, and (ii) Low-Income Weatherization Program Assignment and Assumption Agreement and Declaration of Restrictive Covenants, recorded on September 29, 2017, as Recording No. 2017-011109 in the records of Klamath County, Oregon (together, the "OHCS Weatherization Grant Documents").

F. Sponsor is making a junior mortgage loan to Borrower (the "Sponsor Loan"). The original principal amount of the Sponsor Loan is \$ 76,573.00, evidenced by a promissory note from Borrower to Sponsor in the amount of the Sponsor Loan, and secured by that certain Trust Deed, Security Agreement, and Fixture Filing from Borrower as grantor to Sponsor as beneficiary (the "Sponsor Deed of Trust") covering the Property, recorded on September 29, 2017, under Instrument Number 2017-011170, records of Klamath County, Oregon. The Sponsor Deed of Trust and all other documents associated with the Sponsor Loan will be referred to as the "Sponsor Loan Documents."

G. Borrower has received an award of Low Income Housing Tax Credits from OHCS in its capacity as the State of Oregon low-income housing tax credit allocating agency. Upon completion of the development of the Project, in connection with the issuance of Internal Revenue Service form 8609 for the Project, the Borrower will execute and deliver a Low-Income Housing Tax Credit Declaration of Land Use Restrictive Covenants (the "LIHTC Declaration") for recording against the Property in Klamath County, Oregon.

H. Pursuant to the terms of the Purchase Option Agreement and Right of First Refusal (the "Option Agreement"), dated September 29, 2017, between Sponsor and

Borrower, Sponsor has been granted both an option to acquire the Property and a right of first refusal to acquire the Property (the "Option and Right of First Refusal").

I. The Bank Loan Documents, the NOAH Loan Documents, the HOME Documents, the OHCS Weatherization Grant Documents, and the Sponsor Loan Documents will be collectively referred to as "Financing Documents."

J. The Parties enter into this Agreement in order to establish their relative rights and priorities regarding the Property, all as more fully set forth herein.

Agreement

NOW, THEREFORE, in consideration of the mutual agreements and undertakings herein contained, the Parties agree as follows:

1. **Recitals.** The Recitals above are hereby incorporated into this Agreement.
2. **Priorities.** Regardless of the time each Party's lien on or interest in the Property is created or recorded, such interests have and shall have the priorities set forth below:

2.1 **First Priority.** Upon its recording, the LIHTC Declaration shall have first priority. The liens, rights, and interests of Parties created under documents with a lesser priority as established in this Agreement will, upon recording, be made subordinate and subject to the rights and interests of OHCS under the LIHTC Declaration, subject in all events to termination upon foreclosure or deed in lieu of foreclosure to the extent provided in Section 42(h)(6)(E) of the Internal Revenue Code of 1986, as amended (the "Code").

2.2 **Second Priority.** The Senior Deed of Trust (including any UCC-1 financing statements filed or recorded in connection with the Senior Loan) shall have second priority. The liens, rights, and interests of Parties created under documents with a lesser priority as established in this Agreement will be made subordinate and subject to the rights and interests of the Senior Lender under the Senior Deed of Trust. The Senior Deed of Trust shall survive foreclosure of any lien with a lesser priority as established in this Agreement and shall be binding upon any person that acquires the Property by means of such foreclosure or deed in lieu thereof or that is a successor to one who acquires the Property by such means, for so long as such person shall retain an interest in the Property.

The Parties acknowledge and agree that, upon NOAH's closing of the NOAH Loan, the NOAH Deed of Trust (including any UCC-1 financing statements filed or recorded in connection with the NOAH Loan) shall be in the same lien position of the Senior Deed of Trust, and that all references in this Agreement to "Senior Lender," "Senior Loan," or "Senior Deed of Trust" shall be deemed to refer to NOAH, the NOAH Loan, and the NOAH Deed of Trust, respectively. The Parties further acknowledge and agree that, upon any refinancing of the NOAH Loan upon its maturity, any deed of trust or similar or additional security for such refinancing facility shall, without any additional consents from the Parties, have the same lien position of the Senior Deed of Trust and that all references in this Agreement to "Senior Lender," "Senior Loan," or "Senior Deed of Trust" shall be deemed to refer to such lender, loan, and security instrument, respectively. It is the intention of the Parties that no further priority

agreements or subordination agreements shall be required to establish such lien priority. However, the Parties acknowledge and agree that to the extent such subordination or priority agreements are required by NOAH or subsequent lender, or the title company insuring the NOAH Loan's lien priority or the priority of a subsequent lender in order to provide NOAH or its successor lender with the same lien position as identified herein, the Parties shall execute such subordination or priority agreement provided that they are reasonably acceptable to the Parties required to execute and deliver such subordination or priority agreements. In the event NOAH does not fund the NOAH Loan for any reason, all references in this Agreement to NOAH shall be deemed deleted in their entirety.

2.3 Third Priority. The HOME Declaration shall have third priority. The liens, rights, and interests of Parties created under documents with a lesser priority as established in this Agreement will, upon recording, be made subordinate and subject to the rights and interests of OHCS under the HOME Declaration, subject in all events to termination upon foreclosure or deed in lieu of foreclosure to the same extent provided for the LIHTC Declaration in Section 42(h)(6)(E) of the Code, including but not limited to reinstitution in its former lien position upon a Related Person (as that term is defined in Section 42) obtaining an ownership interest in the Project during the Affordability Period defined in the HOME Declaration.

2.4 Fourth Priority. The HOME Deed of Trust shall have fourth priority. The liens, rights, and interests of Parties created under documents with a lesser priority as established in this Agreement will be made subordinate and subject to the rights and interests of OHCS under the HOME Deed of Trust.

2.5 Fifth Priority. Upon its recording, each of the OHCS Weatherization Grant Documents shall have fifth priority. The liens, rights, and interests of Parties created under documents with a lesser priority as established in this Agreement will be made subordinate and subject to the rights and interests of OHCS under the OHCS Weatherization Grant Documents.

2.6 Sixth Priority. The Multiparty Agreement, Subordination, and Declaration of Restrictive Covenants among Sponsor, Borrower, and OHCS recorded on September 29, 2017, under Instrument Number 2017-01130, records of Klamath County, Oregon (the "Multi-party Agreement") shall have sixth priority. The liens, rights, and interests of Parties created under documents with a lesser priority as established in this Agreement will be made subordinate and subject to the rights and interests of OHCS under the Multiparty Agreement.

2.7 Seventh Priority. The Sponsor Deed of Trust (including any UCC-1 financing statements filed or recorded in connection with the Second Position Loan) shall have the seventh priority. The liens, rights, and interests of Parties created under documents with a lesser priority as established in this Agreement will be made subordinate and subject to the rights and interests of Sponsor under the Sponsor Deed of Trust.

2.8 Eighth Priority. The Lease Agreement shall have eighth priority.

Any right of Sponsor, or any other party, to acquire the Property or any part thereof pursuant to any option or right of first refusal in any of the documents entered into which relate to the Property or otherwise, including without limitation the Option and Right of First Refusal, is hereby made subject and subordinate to each of the liens and interests described above.

For purposes of this Section 2, the lien or interest with "lesser priority" is the one with the higher numerical designation, so that, for example, "fifth priority" is a "lesser priority" than "fourth priority."

Except as specifically set forth in a separate agreement, the Parties agree that Lenders do not have any obligation to each other to advance funds or to see to the application of their respective loan or grant proceeds and that any application of such proceeds contrary to the terms of any loan or grant documents shall not defeat the subordinations granted herein in whole or in part.

3. **Reliance.** It is understood by the Parties hereto that the Lenders would not enter into their respective loan documents without this Agreement.

4. **Rents.** Each of the Parties hereto acknowledges and consents to Borrower's assignment of all leases, income, rents, and profits of the Property to Senior Lender. The Parties agree that upon an Event of Default under the Bank Loan Documents, Senior Lender shall have the absolute right to collect all rents and profits from the Property as provided in the Bank Loan Documents.

5. **Low-Income Housing Tax Credit Declaration of Land Use Restrictive Covenants.** Notwithstanding any other provisions contained herein or in any of the financing documents entered into in connection with the Financing Documents, following the recording of the LIHTC Declaration as an encumbrance upon the Property, upon foreclosure or acceptance of a deed in lieu of foreclosure (whether by means of such foreclosure, acceptance of a deed in lieu of foreclosure or otherwise), the Parties and their successors or assigns shall not permit for a period of three years from the date of such foreclosure or acceptance of a deed in lieu of foreclosure the following:

5.1 **Eviction Restriction.** The eviction or the termination of tenancy (other than for good cause) of an existing tenant of any LIHTC Declaration low-income unit (as that term is defined under Section 42 of the Internal Revenue Code), or

5.2 **Rent Restriction.** Any increase in the gross rent with respect to such LIHTC Declaration low-income unit not otherwise permitted under Section 42 of the Internal Revenue Code.

6. **Provisions Pertaining to Senior Loan.** Until such time as the Senior Loan is paid in full, the following provisions shall apply:

6.1 **Insurance or Condemnation Proceeds.** Notwithstanding any provision of any Party's deed of trust, mortgage, or other loan documents to the contrary, in the event of any damage to, destruction of, or taking or condemnation (including deed in lieu thereof) of the

Property or any portion thereof, any insurance or condemnation proceeds governed by the terms of the Senior Deed of Trust. Any funds to be applied to repair or restoration shall be held and administered by Senior Lender in accordance with the Bank Loan Documents, and Senior Lender shall be entitled to reasonable compensation for its services in connection with the administration of such funds, as set forth in the Senior Deed of Trust, provided that if applicable law does not permit a lender to hold such proceeds then Senior Lender shall have the right to designate an insurance trustee to administer the proceeds consistent with the Senior Deed of Trust subject to applicable law. For so long as the Senior Deed of Trust encumbers the Property, Senior Lender shall have all approval, consent, and oversight rights in connection with any insurance claims relating to the Property and any decisions regarding the use of insurance or condemnation proceeds after a casualty loss or condemnation notwithstanding any rights of any other Party.

6.2 Actions by Senior Lender; Certain Waivers. Senior Lender, without the consent of or notice to any other Lender, may modify or amend the Bank Loan Documents in any manner (except as otherwise expressly provided in this Agreement), may release any or all parties liable for any obligation secured by the Bank Loan Documents, and may release any or all security for the obligations secured by the Bank Loan Documents, all without affecting the subordinations provided for in this Agreement. Each other Lender waives any right to require marshaling of assets or to require Senior Lender to proceed against or exhaust any specific security for the obligations secured by the Bank Loan Documents, and waives any defense arising out of the loss or impairment of any right of subrogation to the lien of the Bank Loan Documents.

6.3 Subordination of Subrogation Rights; Conflict. Each other Lender agrees that if, by reason of payment by such Lender of real estate taxes or other monetary obligations of Borrower pursuant to such Lender's Loan Documents, or by reason of such Lender's exercise of any other right or remedy under such Lender's Loan Documents, such Lender acquires by right of subrogation or otherwise a lien on the Property that but for this Section 6.3 would be senior to the lien of the Senior Deed of Trust, then in that event such lien of such Lender shall be subject and subordinate to the lien of the Senior Deed of Trust. Each other Lender further agrees that, in the event of any conflict or inconsistency between the terms of the Bank Loan Documents, the terms of such lender's Loan Documents, and the terms of this Agreement, the terms of this Agreement shall govern and control: (a) the relative priority of the security interests of Senior Lender and such other Lender in the Property, (b) the timing of the exercise of remedies by Senior Lender and such other Lender under the Bank Loan Documents and such Lender's Loan Documents, respectively, and (c) all other rights and obligations that Senior Lender and such other Lender have agreed to pursuant to this Agreement.

7. Cross Defaults. The Parties acknowledge and agree that any default under the OHCS Weatherization Grant Documents, the HOME Documents, the Sponsor Loan Documents, or the LIHTC Declaration, that, after being declared by the Party entitled to declare such default, is not cured or waived within the applicable cure period set forth therein, shall constitute an event of default under the Bank Loan Documents and the NOAH Loan Documents.

8. Subordinate Lenders' Agreement to Standstill. Until the Senior Loan has been repaid in full, each Lender other than Senior Lender agrees for the benefit of Senior Lender and its successors and assigns, that if a default occurs and is continuing under documents other than

the Bank Loan Documents, the other Lenders shall not, without Senior Lender's prior written consent, accelerate its respective loan, commence foreclosure proceedings with respect to the Property, collect rents, appoint (or seek the appointment of) a receiver. OCHS, however, may institute any other enforcement action with respect to the Borrower or the Property.

9. **Acknowledgements.**

Each Lender other than Senior Lender hereby agrees and acknowledges, solely for the benefit of Senior Lender, as follows:

(a) For purposes of this Agreement, each has been provided the opportunity to review the Bank Loan Documents before executing this Agreement;

(b) Senior Lender, in making disbursements pursuant to the Bank Loan Documents, is under no obligation or duty to insure, nor has Senior Lender represented that it will insure, the proper application of such proceeds by the person(s) to whom Senior Lender disburses such proceeds, and any application or use of such proceeds for purposes other than as provided in any such agreement shall not defeat or render invalid, in whole or in part, the subordinations provided for in this Agreement;

(c) Senior Lender has not made any warranty or representation of any kind or nature whatsoever to with respect to (i) the application of proceeds of the Senior Loan upon the security of Senior Deed of Trust, (ii) the value of the Property or the improvements to be developed thereon pursuant to the Bank Loan Documents, or the marketability or value thereof upon completion of such improvements, or (iii) the ability of Borrower to honor its covenants and agreements with Senior Lender or other parties;

(d) Senior Lender's release of any security for the Senior Loan, including without limitation the reconveyance of any portion(s) of the Property from the lien of the Senior Deed of Trust shall not constitute a waiver or relinquishment of the other Lender's unconditional subordination of the liens or charges of their respective deeds of trust or other encumbrances against the Property to the lien or charge of the Senior Deed of Trust;

(e) Senior Lender would not make the Senior Loan absent the execution of this Agreement by the Parties hereto; and

(f) Senior Lender has no duty to disclose to any Party any facts Senior Lender may now know or hereafter know about Borrower or the members or successors of Borrower, regardless of whether (i) Senior Lender has reason to believe that any such facts may increase materially the risk beyond that which the Parties intend to assume, (ii) Senior Lender may have reason to believe that such facts are unknown, or (iii) Senior Lender has a reasonable opportunity to communicate such facts, it being understood and agreed that each Party is fully responsible for being and keeping informed of the financial condition of Borrower and/or any members or successors of Borrower and of all circumstances bearing on the risk of non-payment of any indebtedness of Borrower to Senior Lender described in this Agreement.

Each Party hereto has made such independent legal and factual inquiries and examinations as such Party deems necessary or desirable and is not relying on any inquiries or

examinations made by Senior Lender or on information from Senior Lender concerning Borrower, the Authority, the Property or the Project.

10. **Miscellaneous.**

10.1 **Entire Agreement.** This Agreement constitutes the entire agreement among the Parties with respect to the priority of each Party's liens and interests in the Property and the other matters addressed herein.

10.2 **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to the conflict of law provisions of Oregon law and the laws of the United States of America. In no event will this provision be construed as a waiver by OHCS or the State of Oregon of any form of defense or immunity, whether it is sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim, action, suit or proceeding (collectively, "Claim") or from the jurisdiction of any court. OHCS and the State of Oregon expressly reserve all sovereignty rights.

10.3 **Successors; Assignment.** This Agreement is for the benefit of Lenders and their respective successors and assigns and any provision hereof may be waived or modified by written agreement among each of the Lenders affected thereby, without the consent of Borrower.

10.4 **Notices.** All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when hand-delivered within normal business hours, when actually received by facsimile transmission during normal business hours, or two business days after deposit in the U.S. mail, postage prepaid, to the Parties hereto at the addresses set forth below, or to such other place as a Party may from time to time designate for itself by notice to the other Parties. No transferee or successor of a Party hereto shall be entitled to notices or opportunity to cure defaults hereunder unless notice of the transfer is given in accordance with this subsection.

To the Senior Lender:	Umpqua Bank One S.W. Columbia Street, Suite 1170 Portland, Oregon 97258 Attention: Gina A. León
To NOAH:	Network for Oregon Affordable Housing 1020 S.W. Taylor Street, Suite 585 Portland, Oregon 97205 Attention: Executive Director
To Sponsor:	Klamath Housing Authority 1445 Avalon Street Klamath Falls, Oregon 97601 Attention: Diana Otero

To OHCS: Oregon Housing and Community Services
725 Summer Street NE, Suite B
Salem, Oregon 97301-1266
Attention: Multifamily Housing Section

With a copy to: The Oregon Department of Justice
1162 Court Street NE
Salem, Oregon 97301-4096
Attention: D. Kevin Carlson, AAG

To the Borrower: Sky Meadows, LLC
c/o Luckenbill-Drayton & Associates, LLC
1007 NW Rimrock Drive
Redmond, Oregon 97756
Attention: Lisa Drayton

10.5 Amendment. This Agreement may be amended, or any provision waived, only by a writing signed by each Party against which the amendment or waiver is sought to be enforced or asserted.

10.6 Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and whether or not all Parties execute each counterpart.

10.7 Completion of Recording Information. If this Agreement is signed without completion of certain recording information called for above, any Party hereto or any title insurance company acting on the instructions of any Party is hereby authorized to insert such information prior to recording this Agreement.

10.8 Consent to Other Parties' Loan Documents. By executing this Agreement, each Party hereby acknowledges and consents to the execution of, and where appropriate, the recording of, the documents referenced herein.

10.9 Further Instruments. The Parties hereto shall execute and acknowledge such further documents and instruments as may be reasonably necessary from time to time to effectuate the intent of this instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first above written.


UMPQUA BANK, an Oregon banking corporation

By: 

Gina A. León, Vice President

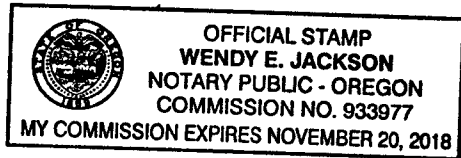
STATE OF OREGON)
) SS
COUNTY OF MULTNOMAH)

This instrument was acknowledged before me on September 27, 2017, by Gina A. León, who is Vice President of Umpqua Bank, an Oregon banking corporation, on behalf of said banking corporation.



Notary Public for Oregon

My commission expires: 11/20/18



IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first above written.

KLAMATH HOUSING AUTHORITY, a
political division of the State of Oregon

By:

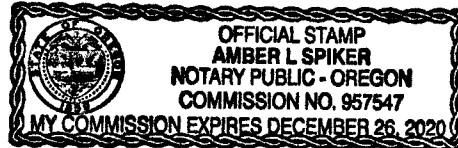


Diana Otero, Executive Direct

STATE OF OREGON)

COUNTY OF *Klamath*)

) SS
)



This instrument was acknowledged before me on September 27, 2017, by Diana Otero, who is Executive Director of Klamath Housing Authority, a political division of the State of Oregon, on behalf of said political division.

Notary Public for Oregon

My commission expires:

12/26/20

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first above written.

SKY MEADOWS, LLC, an Oregon limited liability company

By: LDA-Sky Meadows Development, LLC,
an Oregon limited liability company, its
Managing Member

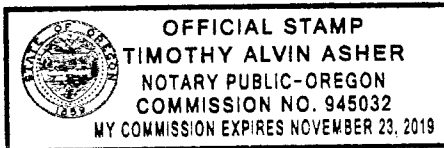
By: Luckenbill-Drayton & Associates,
LLC, an Oregon limited liability
company, its Manager

By: *Lisa Drayton*
Lisa Drayton, Manager

ACKNOWLEDGEMENT

STATE OF OREGON)
COUNTY OF TA Deschutes) SS
~~MULTNOMAH~~)

This instrument was acknowledged before me on September 27th, 2017, by Lisa Drayton, who is Manager of Luckenbill-Drayton & Associates, LLC, an Oregon limited liability company, which is the Manager of LDA-Sky Meadows Development, LLC, an Oregon limited liability company, which is the Managing Member of Sky Meadows, LLC, an Oregon limited liability company.



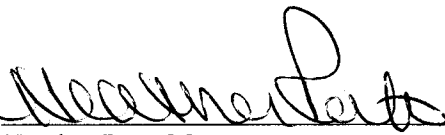
Timothy Asher
Notary Public for Oregon

My commission expires: 11-23-2019

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the day and year first above written.

OHCS:

STATE OF OREGON, acting by and through its
Housing and Community Services Department

By: 
Heather Pate, Manager
Multifamily Housing Finance Section

STATE OF OREGON)
 : ss
County of Marion)

The foregoing instrument was acknowledged before me this 26th day of September, 2017 by Heather Pate, who is the Manager of the Multifamily Housing Finance Section, for and on behalf of OHCS.



NOTARY PUBLIC FOR OREGON
My Commission Expires: 8/14/21



EXHIBIT A

Legal Description of Property

Real property in the City of Klamath Falls, County of Klamath, State of Oregon, described as follows:

Parcel 1

The North half of Lots 7 and 8, Block 59, Buena Vista 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 2

A portion of Lots 7 and 8 in Block 54, of Nichols 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, more particularly described as follows:

Beginning at the most Northerly corner of Lot 8, Block 54, Nichols addition to the City of Klamath Falls, Oregon, and running thence Southwesterly along Lincoln Street, a distance of 87 feet; thence Southeasterly parallel with 8th street a distance of 60 feet; thence Northeasterly parallel with Lincoln street a distance of 87 feet; thence Northwesterly along 8th street a distance of 60 feet to the place of beginning; being the Northwesterly 60 feet of the Northeasterly 22 feet of Lot 7, and the Northwesterly 60 feet of Lot 8 in Block 54, Nichols Addition to the City of Klamath Falls, Oregon.

Parcel 3

Parcel 1 of Land Partition 2-17 Replat of Parcel 2 of Land Partition 8-00, situated in SE1/4 NE1/4 Section 14, Township 39 South, Range 09 East of the Willamette Meridian, Klamath County, Oregon and recorded May 8, 2017 as Instrument No. 2017-004773, Klamath County Records.