



**2019-005496**

Klamath County, Oregon

05/16/2019 02:02:02 PM

Fee: \$152.00

**PREPARED BY: Kyle Smith**  
**AND AFTER RECORDING RETURN TO:**  
**STANCORP MORTGAGE INVESTORS, LLC**  
**ATTN: LOAN CLOSING, T3A**  
**19225 NW TANASBOURNE DRIVE**  
**HILLSBORO, OR 97124**

SIC Loan No. **B9030103**

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Parcel Identification Number: 817398

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**SUBORDINATION, NONDISTURBANCE, AND**  
**ATTORNMEN AGREEMENT**

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

THIS SUBORDINATION AGREEMENT is dated as of **May 01, 2019**

**Recitals**

A. The undersigned Lessee, whose address is 3000 Market St. NE Suite #327 Salem, OR 97301, Guarantor, whose address is 3000 Market St. NE Suite #327 Salem, OR 97301, and Lessor, whose address 6429 Spear St., San Diego, CA 92120, are parties to a lease dated **September 05, 2008**, defined below, which lease covers part or all of the real property (the "Property") described on Exhibit "A" attached hereto.

B. **Standard Insurance Company, an Oregon corporation** ("Lender") has agreed to make a loan (the "Loan") to Lessor and others, as applicable ("Borrower"), evidenced or secured by a note, Deed of Trust, Mortgage or Deed to Secure Debt with Assignment of Rents, Security Agreement and Fixture Filing dated **May 01, 2019** on the Property and by such other security instruments as Lender may require of even date herewith (collectively, the "Security Instruments").

C. As a condition precedent to Lender's disbursement of Loan proceeds, Lender has required that Lessee (i) subordinates the Lease and Lessee's interest in the Property in all respects to the liens of the Security Instruments, if any, securing Lender's other interests in the Property, and (ii) agrees that it will attorn to Lender as a successor Lessor under the Lease.

D. In return for the subordination and attornment, Lender is agreeable to not disturbing Lessee's possession of the Property under the Lease on the terms set forth below.

### **Agreement**

NOW, to induce Lender to make the Loan and in consideration of the promises made, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Lessee and Lessor, it is agreed as follows:

1. **Subordination.** The Lease, including but not limited to any rights of first purchase, whether by offer, negotiation and/or refusal and/or purchase options contained therein, and Lessee's leasehold estate and any other interests created thereby and any renewals, extensions, amendments or modifications (collectively, the "Lease"), are completely and unconditionally subject and subordinate to the liens of the Security Instruments, including all Loan advances made or to be made, and to any extensions or modifications.

2. **Lessee Not To Be Disturbed.** So long as Lessee is not in default (beyond any applicable Lease notice and cure periods, if any) ("Default") in the payment of rents or in the performance of any of the other terms of the Lease on Lessee's part to be performed (collectively, the "Lessee Obligations"), Lessee's possession of the Property under the Lease and Lessee's rights and privileges under the Lease, will not be diminished or interfered with by Lender, and Lessee's occupancy of the Property will not be disturbed by Lender during the Lease term.

3. **Lessee Not To Be Joined In Foreclosure.** So long as Lessee is not in Default under any Lessee Obligations, Lender will not join Lessee as a defendant in any action or proceeding foreclosing the Security Instruments unless such joinder is necessary to foreclose the Security Instruments and then only for such purpose and not to terminate the Lease.

4. **Lessee To Attorn To Lender.** If the interests of Lessor are transferred to and owned by Lender by foreclosure or otherwise, and Lender succeeds to the interest of the Lessor under the Lease, Lessee will be bound to Lender under the Lease for the balance of the term thereof remaining including any extensions or renewals, with the same force and effect as if Lender were the Lessor under the Lease. Lessee attorns to Lender as its Lessor, said attornment to be effective upon Lender succeeding to the interest of the Lessor under the Lease without the execution of any further instrument, provided that, except as described in the next paragraph, Lessee will not be obligated to pay rent to Lender, as Lessor until Lessee receives written notice from Lender that it has succeeded to the interest of the Lessor under the Lease. The respective rights and obligations of Lessee 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, will 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.

5. **Lease Payments to Lender.** Receipt of Lender's notice will be the only condition to Lessee making payments to Lender or at Lender's direction. Lessor irrevocably authorizes Lessee to make payments to Lender or at Lender's direction. Lessor releases and discharges Lessee from liability for making such payments. Lessor indemnifies Lessee and Lender from all loss, cost, liability, claim, damage and expense (including reasonable attorney fees and costs, whether at pre-trial, at trial, on appeal, discretionary review and/or bankruptcy) that Lessee or Lender may incur as a result any challenge to Lender's notice or Lessee's payment to Lender or at Lender's direction.

6. **Exercise of Rights Under Loan Documents Not Lease Default.** The undersigned represents to Lender that the exercise by Lender of its rights and remedies under the Loan Documents, including without limitation its rights of foreclosure, will not constitute a default under the Lease.

7. **Lender Not Bound By Subsequent Lessor/Lessee Acts.** If Lender succeeds to the interests of Lessor under the Lease, Lender will not be (a) liable for any act or omission of any prior lessor (including Lessor), which accrued prior to the date Lender takes title to the Property, unless such act or omission continues after Lender (i) took title to the Property, (ii) received written notice of such act or omission, and (iii) failed to commence and continue cure within thirty (30) days, (b) subject to any offsets or defenses which Lessee might have against any prior lessor (including Lessor), in the Lease, if any, (c) bound by any rent or additional rent which Lessee might have paid for more than one month in advance of the then current installment, except for any monthly escrows required to be paid under the Lease, if any, for operating expenses, insurance and real estate taxes which are subject to annual reconciliation, (d) bound by any Lease termination, cancellation or any material amendment or modification of the Lease made without Lender's prior written consent, or (e) liable for any security or other deposits paid by Lessee, or any predecessor in interest to Lessee, to any Lessor, and which are not actually received by Lender. For purposes of this paragraph, the term "material" refers to changes that would increase Lessor's obligations under the Lease, financial or otherwise, or decrease Lessee's obligations under the Lease, whether financial or otherwise.

8. **Waiver.** Lessee waives notice and agrees that Lender may, without notice to or consent of Lessee, upon terms as Lender may deem advisable, without releasing or discharging Lessee from this Subordination Agreement or affecting the lien or priority of the Security Instruments, release, exchange, or modify any obligation secured by the Security Instruments and/or settle or compromise any claim with respect to the Loan.

9. **Successors and Assigns.** This Agreement is binding upon the parties and their heirs, executors, administrators, representatives, successors and assigns, including each lessee and lessor under the Lease or any other person having an interest therein and will inure to the benefit of Lender and its successors and assigns.

10. **Choice of Law.** The law of the state in which the Property is located will govern the validity, interpretation, construction, and performance of this Agreement. The parties irrevocably submit to the jurisdiction of any state or federal court in the State where the Property is located in any action or proceeding brought to enforce or otherwise arising out of or relating to this Agreement, and waive any claim that such forum is an inconvenient forum.

11. **Captions and Headings.** The captions and headings in this Agreement are for convenience and not to be construed as confining or limiting the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular includes the plural, the plural includes the singular, and the masculine, feminine and neuter are freely interchangeable.

12. **Notices.** All notices required or permitted under this Agreement will be in writing and may be delivered by hand or a nationally recognized overnight courier service, or mailed by first class registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to Lender:

**Standard Insurance Company**  
Attn: **Loan Closing, T3A**  
19225 NW Tanasbourne Drive  
Hillsboro, OR 97124

If to Lessee:

**EBM Foods, Inc**  
  
3000 Market St. NE Suite #327  
Salem, OR 97301

If to Lessor:

**JDS Investments,**  
**a California general partnership**  
6429 Spear Street  
San Diego, CA 92120

Changes in the respective addresses to which such notices will be directed may be made from time to time by either party by notice to the other party given at least ten (10) days before such change of address is to become effective. Notices given by mail in accordance with this provision will be deemed to have been given three (3) days after the date of dispatch; notices given by any other means will be deemed to have been given when received.

13. **Severability and Counterparts.** In the event any one or more of the provisions contained in this Agreement is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement, but this Agreement will be construed as if such invalid, illegal or unenforceable provision had never been contained herein. This Agreement will be signed in counterpart signature and notary pages all of which when taken together will constitute one Agreement.

**IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS AGREEMENT, THE UNDERSIGNED CONSULT WITH ITS ATTORNEYS WITH RESPECT THERETO.**

**LESSEE:**

EBM Foods, Inc.  
an Oregon corporation

By: \_\_\_\_\_



Title: \_\_\_\_\_

OWNER / PRESIDENT

**SIGNATURES CONTINUE ON FOLLOWING PAGES.**

**NOTARY ACKNOWLEDGMENTS TO BE ATTACHED IN ACCORDANCE WITH STATE LAW.**

### **GUARANTORS' CONSENT**

Miguel Palos and Ana M. Palos, guarantors of the Lease, signs below to express its respective consent to the foregoing Agreement and their agreements to guaranty of the Lease are and will remain in full force and effect.

A handwritten signature in black ink, appearing to be 'M Palos', written over a horizontal line.

Miguel Palos

Ana M. Palos

**SIGNATURES CONTINUE ON FOLLOWING PAGES.**

**NOTARY ACKNOWLEDGMENTS TO BE ATTACHED IN ACCORDANCE WITH STATE LAW.**

### **GUARANTORS' CONSENT**

Miguel Palos and Ana M. Palos, guarantors of the Lease, signs below to express its respective consent to the foregoing Agreement and their agreements to guaranty of the Lease are and will remain in full force and effect.

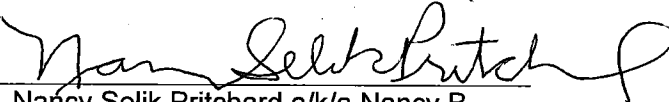
  
\_\_\_\_\_  
Miguel Palos  
\_\_\_\_\_  
Ana M. Palos

**SIGNATURES CONTINUE ON FOLLOWING PAGES.**

**NOTARY ACKNOWLEDGMENTS TO BE ATTACHED IN ACCORDANCE WITH STATE LAW.**

**LESSOR:**

JDS Investments,  
a California general partnership

By:   
Nancy Selik Pritchard a/k/a Nancy B.  
Selik, Successor Trustee of Trust A  
created under the Douglas M. Selik and  
Janet S. Selik Declaration of Trust  
dated March 4, 1982, as amended,  
Partner

By: \_\_\_\_\_  
Warren Gordon Magill a/k/a Warren  
Magill, Successor Trustee of Trust Q  
created under the Joseph Zamudio and  
Sallianne Zamudio Declaration of Trust  
dated August 2, 1988, as amended,  
Partner

**SIGNATURES CONTINUE ON FOLLOWING PAGE.**

**NOTARY ACKNOWLEDGMENTS TO BE ATTACHED IN ACCORDANCE WITH STATE LAW.**

**LESSOR:**

JDS Investments,  
a California general partnership

By: \_\_\_\_\_

Nancy Selik Pritchard a/k/a Nancy B.  
Selik, Successor Trustee of Trust A  
created under the Douglas M. Selik and  
Janet S. Selik Declaration of Trust  
dated March 4, 1982, as amended,  
Partner

By: \_\_\_\_\_

*Warren Gordon Magill*  
Warren Gordon Magill a/k/a Warren  
Magill, Successor Trustee of Trust Q  
created under the Joseph Zamudio and  
Sallianne Zamudio Declaration of Trust  
dated August 2, 1988, as amended,  
Partner

**SIGNATURES CONTINUE ON FOLLOWING PAGE.**

**NOTARY ACKNOWLEDGMENTS TO BE ATTACHED IN ACCORDANCE WITH STATE LAW.**



**LENDER:**

Standard Insurance Company,  
an Oregon corporation

By: *Amy Crosby*  
Title: *Assistant Vice President*

**ATTEST:**

By: *Pd Mhm*  
Title: *SR DIRECTOR - OPERATIONS*

**NOTARY ACKNOWLEDGMENTS TO BE ATTACHED IN ACCORDANCE WITH STATE LAW.**

**INDIVIDUAL ACKNOWLEDGMENT**

State/Commonwealth of Oregon  
County of Marion } ss.

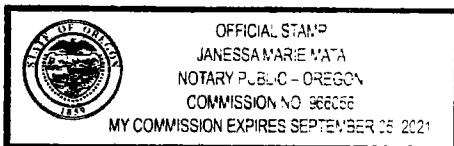
On this the 29<sup>th</sup> day of April, 2019, before me,  
Day Month Year

Janessa M. Mata, the undersigned Notary Public,  
Name of Notary Public

personally appeared Miguel Palos,  
Name(s) of Signer(s)

☐ personally known to me – OR –

☒ 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 for the purposes  
therein stated.

WITNESS my hand and official seal.

[Signature]  
Signature of Notary Public

Expires 09/05/2021

Place Notary Seal/Stamp Above

Any Other Required Information  
(Printed Name of Notary, Expiration Date, etc.)

**OPTIONAL**

This section is required for notarizations performed in Arizona but is optional in other states.  
Completing this information can deter alteration of the document or fraudulent reattachment  
of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: Guarantors' Consent

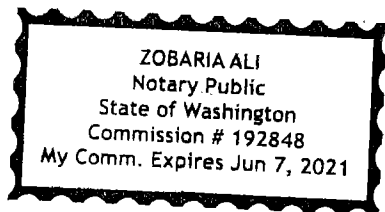
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**WASHINGTON SHORT-FORM INDIVIDUAL ACKNOWLEDGMENT**  
RCW 42.45.140

State of Washington }  
County of Snohomish } ss.

This record was acknowledged before me on 5/07/2019 Date  
by Ana Maria Palos Name(s) of Individual(s)



[Signature]  
Signature of Notarizing Officer  
Notary Public  
Title (Such as "Notary Public")

Place Notary Seal and/or Stamp Above

My commission expires: 06/07/2021

**OPTIONAL**

*Completing this information can deter alteration of the document or  
fraudulent reattachment of this form to an unintended document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

Attached to Subordination, Nondisturbance, and  
Attornment Agreement dated May 01, 2019

### ACKNOWLEDGMENT

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 San Diego

On 5-8-19 before me, Cari Hatfield, Notary Public  
(insert name and title of the officer)

personally appeared Nancy Selik Pritchard  
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

Cari Hatfield

(Seal)



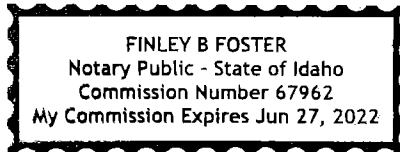
**INDIVIDUAL ACKNOWLEDGMENT**

State/Commonwealth of Idaho }  
County of Bonner } ss.

On this the 7<sup>th</sup> day of May, 2019, before me,  
Finley B. Foster, the undersigned Notary Public,  
Name of Notary Public  
personally appeared Warren Gordon Magill AKA Warren Magill,  
Name(s) of Signer(s)

☐ personally known to me – OR –

☒ 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 for the  
purposes therein stated.

WITNESS my hand and official seal.

Finley B Foster  
Signature of Notary Public

Place Notary Seal/Stamp Above

Any Other Required Information  
(Printed Name of Notary, Expiration Date, etc.)

**OPTIONAL**

This section is required for notarizations performed in Arizona but is optional in other states. Completing this  
information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

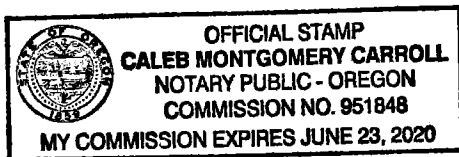
**Description of Attached Document**

Title or Type of Document: Subordination, Non-disturbance, and Attorney Agreement  
Document Date: May 1, 2019 Number of Pages: 7  
Signer(s) Other Than Named Above: None

STATE OF OREGON                    )  
                                                  ) ss:  
COUNTY OF WASHINGTON    )

On this 13<sup>th</sup> day of May, 2019, before me, Caleb Montgomery Carroll, appeared AMY FRAZEY and PAUL FREESE, both to me personally known, who being duly sworn did say that she, the said AMY FRAZEY is the Assistant Vice President of STANDARD INSURANCE COMPANY, an Oregon corporation, the within named corporation, and that the seal affixed to said document is the corporate seal of said corporation, and that the said document was signed and sealed in behalf of said corporation by authority of its Board of Directors, and he, the said PAUL FREESE is the Senior Director of STANCORP MORTGAGE INVESTORS, LLC, an Oregon limited liability company, as Servicer of STANDARD INSURANCE COMPANY and AMY FRAZEY and PAUL FREESE acknowledged said document to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal the day and year last above written.



A handwritten signature in cursive script, appearing to read "Caleb Montgomery Carroll".

*Caleb Montgomery Carroll*  
Notary Public for Oregon  
My Commission Expires: 06/23/2020

**EXHIBIT "A"**  
**LOAN NO. B9030103**  
**DATED: May 01, 2019**

Parcel 1 of Land Partition 57-07 being a replat of Lots 1 and 4, Block 1, TRACT 1239 and a replat of Parcel 2 of Land Partition 7-97 located in the NE1/4 of the NE1/4 of Section 9, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

TOGETHER with a Public Access Easement recorded June 12, 2018 in Instrument 2018-007122, Records of Klamath County, Oregon.