

2020-008779

Klamath County, Oregon

07/17/2020 08:26:23 AM

Fee: \$127.00

Drafted by and after recording, return to:
Farm Credit Leasing Services Corporation
Attn: Joseph Chrudimsky
1665 Utica Ave S, Suite 400
Minneapolis, Minnesota 55416

OPTION TO LEASE

Contract Number: 001-0113275-000

Optionor: **STAUNTON FARMS, A CALIFORNIA LIMITED**
 PARTNERSHIP
 22217 Stateline Road
 Malin, OR 97632
 Phone: (541) 892-5263

Optionee:	FARM CREDIT LEASING SERVICES CORPORATION	Address for Notices:
	1665 Utica Ave S, Suite 400	P.O. Box 16330
	Minneapolis, MN 55416	Minneapolis, MN 55416
	Phone: (800) 444-2929	

Term of Ground Lease: Commencing on the Commencement Date and
expiring 30 Lease Years thereafter

IFA: Yes
IFA Option Term Date: Date that
is 127 Months from the Effective
Date

Base Rent (Per Year): \$5,000.00 per acre, plus the annual fair market rental
value of any material improvements located on the Leased Premises (excluding
the Facility), as determined as of the time of exercise of the Option by a licensed
appraiser to be engaged by Optionee

Conveyance of Facility: Yes
Shared Use: No, **Fee:** N/A

This OPTION TO LEASE ("**Agreement**") is made and entered into effective as of July 6, 2020 ("**Effective Date**"), by and between the Optionor and Optionee referenced above.

1. **Background.** Optionor is the owner of certain land more particularly described on Exhibit A attached hereto (together with all of Optionor's right, title and interest in and to all of the buildings, structures and other improvements now standing or at any time hereafter constructed or placed upon such land, the "**Option Premises**"). Optionee is the owner of a certain facility located or to be located on the Option Premises more particularly described on Exhibit B attached hereto (the "**Facility**"), which Optionee intends to lease to Optionor (and/or to one or more of Optionor's affiliates) pursuant to the Facility Lease Agreement for the contract number specified above ("**Facility Lease**").

2. Grant of Option; Exercise. In consideration of Optionee's entry (or anticipated entry) into the Facility Lease, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Optionor hereby grants to Optionee the exclusive option to lease from Optionor all or, at Optionee's sole discretion, a portion of the Option Premises ("**Option**") upon the terms and conditions of this Agreement. Optionee may exercise the Option by giving written notice of such exercise to Optionor during the period ("**Option Term**") commencing on the Effective Date and continuing until the earlier to occur of (a) if IFA has been selected on the first page of this Agreement and the Facility Lease has not been executed, the IFA Option Term Date set forth on the first page of this Agreement; (b) if the Facility Lease has been executed, the date that is 90 days after the Facility Lease expires in accordance with its terms, including after giving effect to any renewal options (without default thereunder); and (c) if the Facility Lease has been executed, the date Optionor (or other lessee under the Facility Lease) duly closes on any option to purchase the Facility pursuant to the Facility Lease, provided, however, that to the extent that Optionee's exercise of the Option would be prohibited by any applicable law prohibiting corporations from leasing agricultural land, then to the extent that the Option Term has otherwise expired, the Option Term shall be deemed extended until 45 days after this Agreement has been assigned in accordance with Section 3 hereof. Such notice shall indicate the portion of the Option Premises, if less than all, for which Optionee is exercising the Option. Upon such notice without any further action by either party, the provisions of Section 5 of this Agreement (the "**Ground Lease**") will become effective immediately as of the date of such exercise or, if later, the date specified as the Commencement Date in such notice ("**Commencement Date**"). If the Option is not exercised on or before expiration of the Option Term, the Option will automatically expire. If Optionee takes possession of the Facility or exercises the Option and Optionee's operation of the Facility for its intended purposes or lease of the Option Premises violates applicable law prohibiting corporations from leasing agricultural land, Optionee may use the Facility and the Option Premises only for necessary maintenance and upkeep of the Facility and shall, as expeditiously as is practical (and consistent with protecting Optionee's investment in the Facility), sell and assign its rights in the Facility, this Agreement or the Ground Lease to a person or entity who may operate the Facility for its intended purposes and lease the Option Premises in a manner that does not violate applicable law. This Option shall be a bona fide encumbrance taken for purposes of security to secure Optionor's obligations to Optionee and/or Optionee's affiliates under the Facility Lease.

3. Facility. Notwithstanding anything herein to the contrary: (a) ownership of the Facility shall remain severed from the Option Premises; (b) title of the Facility shall remain with Optionee and no interest in the Option Premises shall attach to the Facility; (c) the Facility shall not be subject to the lien of any secured transaction or instrument heretofore or hereafter arising against the Option Premises; (d) Optionee, its agents and assigns, shall have full access upon the Option Premises to inspect, repair, rebuild, disassemble, or remove the Facility, or any part thereof, from the Option Premises without further notice to, or objection, delay, hindrance or interference by, Optionor, and in each such case, Optionor will make no claim or demand whatsoever against the Facility; and (e) the Facility may remain on the Option Premises without charge for so long as Optionee, its successors and assigns, retains an interest in the Facility.

4. Conveyance of Facility to Optionee. This Section 4 shall only apply in the event "Conveyance of Facility" is selected on the first page of this Agreement. For good and valuable consideration, the sufficiency of which is hereby acknowledged, Optionor hereby grants, bargains, sells and conveys to Optionee and its successors and assigns, title to and ownership of the Facility, together with all improvements, facilities and appurtenant installations constituting a part thereof. Optionor, for itself and for its heirs, administrators, successors and assigns, does hereby covenant that it has absolute and indefeasible fee simple title to the Facility, improvements, facilities and installations, free and clear of all grants, titles, charges, estates, judgments, taxes, and encumbrances of any kind, and that the Optionor will WARRANT AND FOREVER DEFEND the same unto Optionee, and Optionee's successors and assigns, against Optionor, its heirs and assigns, and all and every person or persons whomsoever lawfully claiming or to claim the same.

5. Ground Lease. This Section 5 shall only apply, and shall become immediately applicable, upon Optionee's exercise of the Option.

(a) Grant of Ground Lease. Optionor hereby leases to Optionee the Option Premises, or such portion of the Option Premises as Optionee elects to lease, together with all appurtenances thereto and all concrete and other foundational materials under, in, around or otherwise supporting the Facility, all electrical equipment and wiring in, under, around or otherwise serving the Facility and any septic system connected to the Facility (in each case

to the extent not already owned by Optionee as part of the Facility) (the "**Leased Premises**"), but excluding (i) any underground storage tanks and (ii) any Hazardous Materials (as defined below) which were released into or located upon the Leased Premises prior to the Commencement Date. Optionor hereby additionally grants to Optionee for the duration of the Term an easement constituting adequate right of access to the Leased Premises across the Option Premises and all adjacent lands owned by Optionor from a public and traveled roadway (including any driveway access existing as of the date hereof). Optionee shall have no leasehold interest in the Leased Premises until the occurrence of the Commencement Date.

(b) Term. The term of the Ground Lease ("**Term**") shall be as set forth above, subject to extension and early termination as herein provided. The term "**Lease Year**" shall mean a successive period of twelve (12) calendar months beginning on the Commencement Date and each anniversary thereafter during the Term. Optionee is hereby granted the options to extend the Term for two successive periods of five years each (each, an "**Extended Term**"), commencing upon the expiration of the initial Term or first Extended Term, as the case may be, which may be exercised by Optionee by written notice given to Optionor not later than 90 days prior to the expiration of the then current Term. This Ground Lease shall automatically terminate if Optionor (or other applicable lessee under the Facility Lease) duly closes upon any option to purchase the Facility pursuant to the Facility Lease. Optionee may at its sole option elect to terminate this Ground Lease at any time upon written notice to the Optionor.

(c) Rent. Optionee shall pay to Optionor the Base Rent set forth above in equal annual installments starting on the Commencement Date, and payable on each anniversary thereafter during the Term. Optionee shall reimburse to Optionor, as additional rent hereunder, the ad valorem real estate taxes and installments of special assessments reasonably allocable to the Leased Premises (as determined jointly by Optionor and Optionee) that are due and payable during said Lease Year ("**Additional Rent**"). For the final Lease Year, Additional Rent shall be calculated annually at the end of each calendar year and paid together with the next maturing installment of Base Rent, except that Additional Rent for the final Lease Year shall be paid with the final installment of Base Rent payable hereunder. Additional Rent shall be paid only for that portion of the calendar year preceding the termination of the Ground Lease. Optionor shall invoice Optionee for all amounts of Base Rent and Additional Rent due hereunder.

(d) Use; Improvements; Disposition of Property on Termination. Optionee may use the Leased Premises for any lawful purpose and shall be entitled to construct improvements on the Leased Premises in any manner allowed by law. All improvements, fixtures, and equipment constructed, installed or placed on the Leased Premises by Optionee shall remain the sole property of Optionee and may be removed from the Leased Premises at Optionee's discretion. Upon expiration of the Term or other termination of this Ground Lease: (i) Optionee will have the right for a period of six months thereafter to remove from the Leased Premises all or any portion of such property and such access and other rights to, under and across the Leased Premises and adjacent premises, without payment of rent, as is reasonably necessary for such removal; and (ii) any such property that Optionee does not remove from the Leased Premises during such six-month period, or which Optionee expressly quitclaims to Optionor, will become the property of Optionor and will be accepted as such by Optionor in "as-is" condition, without warranty or liability of Optionee of any kind.

(e) Agreements of Optionee. During the Term, (i) Optionee shall maintain or cause to be maintained hazard and liability insurance customary and appropriate for the use and operation of the Leased Premises and improvements thereon; provided, however, that the Facility shall be insured by Optionor in accordance with the terms of the Facility Lease if it is in effect; (ii) without limiting Optionor's (or other applicable lessee's) obligations under the Facility Lease to keep or cause to be kept the Facility free and clear of all liens, Optionee agrees that it will keep or cause to be kept the Leased Premises free and clear of mechanics, laborers or materialmen's liens and other liens of a similar nature arising in connection with work performed on the Leased Premises by or at the direction of Optionee, provided, however, that Optionee shall have the right to contest the validity or amount of any such lien.

(f) Taxes; Prior Liens. Optionor shall pay all taxes, assessments and any other amounts due on account of any lien or encumbrance affecting the Leased Premises or affecting any larger parcel of which the Leased Premises are a part, subject to Optionee's payment of Additional Rent. Optionor shall immediately provide to Optionee copies of each assessment or tax valuation notice received by Optionor affecting the Leased Premises. Optionor shall assume and pay any tax, assessment or charge levied against or measured by the Base Rent or other amounts payable by Optionee pursuant to this Ground Lease.

(g) Quiet Enjoyment. Optionor represents, warrants and covenants that, subject to Optionor's remedies in case of any breach of this Ground Lease by Optionee, Optionee shall have and enjoy quiet and undisturbed possession of the Leased Premises during the Term. Optionor warrants that there is no mortgage or deed of trust or other lien encumbering the Leased Premises unless the holder of such mortgage, deed of trust or other lien shall have entered into a non-disturbance agreement accepted by Optionee.

(h) Utilities; Access. Optionor represents, warrants and covenants that at all times during the Term: (i) gas, electricity, water, heat, sewage and other utilities are available to the Leased Premises; (ii) Optionee shall be entitled to access over, upon and across any other land owned by Optionor in order to gain access to such utilities; and (iii) the Leased Premises have free and full access to and from all adjoining streets, roads and highways (including reasonable access across all adjacent property in which Optionor has an interest), and there is no pending or threatened action which would impair such access.

(i) Shared Use; Cooperation. This Section 5(i) shall only apply in the event "Shared Use" is selected on the first page of this Agreement. The Facility will be located adjacent to, one or more grain handling facilities and other associated equipment not subject to the Facility Lease (collectively, the **"Existing Equipment"**). Optionor shall at all times maintain the Existing Equipment at its sole cost and expense in good working condition and shall permit Optionee (or its assignee or designee) to use the Existing Equipment as reasonably necessary to maximize the value and usefulness of the Facility for its intended purpose. In consideration of the foregoing, during any term of such shared use Optionee (or its assignee or designee) shall pay to Optionor the fee set forth on the first page of this Agreement once per bushel for the entire load-in/load-out cycle.

(j) Condemnation. In the event of the taking or condemnation by any competent authority (**"Condemnation"**) of all of the Leased Premises during the Term, this Ground Lease shall terminate as of the date of vesting of title in such Condemnation proceedings, and all rental, additional rent and other charges hereunder shall be apportioned as of such date. In the event of Condemnation of less than all of the Leased Premises (**"Partial Condemnation"**) during the Term, Optionee, at its option, may terminate this Ground Lease as of the date of vesting of title in such Condemnation proceedings, and all rental, additional rent and other charges hereunder shall be apportioned as of such date, and Optionee shall have no responsibility to restore the Leased Premises. If Optionee does not terminate this Ground Lease upon a Partial Condemnation, this Ground Lease shall continue, but with a proportionate abatement of the Base Rent and Additional Rent based on the portion of the Leased Premises taken or condemned. The rights of Optionor and Optionee to share in the net proceeds of any award for land, the Facility, improvements and damages upon a Condemnation of the Leased Premises, shall be as follows and in the following order or priority (**"Condemnation Waterfall"**): (1) Optionee shall be entitled to receive, with interest thereon, that portion of the award reasonably allocable as compensation for the value of the Facility and any other improvements or property of Optionee, and relocation expenses of Optionee, if any (collectively, the **"Improvement's Value"**), plus costs awarded in the Condemnation proceeding proportionately attributable to such Improvement's Value; (2) Optionor shall be entitled to receive that portion of the award as shall represent compensation for the value of the Leased Premises, excluding the value of the Facility and any other improvements or property of Optionee; and (3) Optionee shall be entitled to the balance of the award, if any. Notwithstanding the foregoing, in the event Optionee does not terminate the Ground Lease upon a Partial Condemnation, the award shall be used and paid as follows and in the following priority: (1) First, so much as shall be necessary to repair, restore or otherwise modify the improvements (including the Facility) of Optionee as nearly as reasonably possible to their condition and usefulness as existing prior to the Partial Condemnation, with Optionee undertaking such repair and restoration as soon as shall be reasonably practical and provided the same shall be performed in accordance with the terms of the Facility Lease if it is in effect; (2) Second, the balance shall be shared by Optionor and Optionee in the same proportion that they would have shared in the award balance according to the Condemnation Waterfall.

(k) Damage or Destruction. Optionee shall not have any obligation to repair or rebuild any improvements on the Leased Premises following damage by fire or other casualty or cause (**"Casualty"**). Following material damage of any improvements, equipment or other property on the Leased Premises by Casualty as determined by Optionee, Optionee may cancel and terminate this Ground Lease. If Optionee does not terminate the Ground Lease, within a reasonable time following any such material damage, (i) Optionor shall be responsible for promptly and diligently repairing or replacing all improvements and other property subject to such Casualty that are not then owned by Optionee and (ii) Optionee may, at its discretion, repair, replace, secure the same in a safe condition or raze or

remove, or any combination of the foregoing, the Facility and any other improvements or other property of Optionee subject to such Casualty. If Optionee does not terminate this Ground Lease upon a Casualty, this Ground Lease shall continue, but with a proportionate abatement of the Base Rent and Additional Rent based on the portion of the Leased Premises subject to such Casualty that is not owned by Optionee to the extent the same is not repaired or replaced by Optionor in accordance herewith.

(l) Possession Upon Termination; Holding Over. Upon termination of this Ground Lease, Optionee will peaceably and quietly yield up and surrender possession of the Leased Premises to Optionor in their then as-is condition subject, however, to Optionee's rights under Section 5(d) above. If Optionee shall hold the Leased Premises after the expiration of the Term, such holding over shall be deemed to have created a tenancy from month to month terminable on thirty (30) days' notice by either party to the other, at a monthly rent equal to one-twelfth (1/12th) of the annual Base Rent payable for the last year of the Term.

6. Optionor's Representations. Optionor represents and warrants to Optionee that: (a) Optionor has full right and authority to enter into and perform its obligations under this Agreement and the Ground Lease, and has good, marketable and insurable title to the Option Premises in fee simple, free and clear of all restrictions, leases, tenancies, options, encumbrances, liens, easements and other interests in favor of third parties (other than those consented to in writing by Optionee); (b) Optionor is not aware of any pending action to take by condemnation all or any portion of the Option Premises, nor has Optionor agreed to dedicate any part of the Option Premises for any street, easement or public purpose; (c) the Option Premises are not in violation of any applicable laws, rules, ordinances or regulations ("Laws"), nor, to the best of Optionor's knowledge, is there a pending or threatened action or investigation regarding any such violation; (d) this Agreement and the Facility Lease, and the transactions contemplated thereby, are all permitted under applicable Laws; (e) the Option Premises are not located in a designated official flood hazardous area; and (f) all due taxes, assessments and other similar charges associated with the Option Premises have been paid in full. Optionor's representations and warranties under this Section will be deemed re-made upon Optionee's exercise of the Option. Optionor will immediately notify Optionee if any of the foregoing representations are or become untrue, but such notice shall not relieve Optionor from any liability resulting from the breach of any representation.

7. Environmental Matters. Optionor represents and warrants to Optionee that, except as disclosed by Optionor to Optionee in writing, to the best of Optionor's knowledge after due inquiry of appropriate governmental units and relevant Laws: (a) the Option Premises are in compliance with all Environmental Laws; (b) there are not now, nor have there ever been Hazardous Materials placed or released in, on or about the Option Premises or adjacent property in any quantity or manner that would violate Environmental Laws; and (c) there are not now, and have never been, any pending or threatened actions or proceedings concerning Hazardous Materials in, on or about the Option Premises. Optionor will not use, generate, place, store, release or otherwise dispose of Hazardous Materials, or permit the same, in, on or about the Option Premises, except in accordance with all Environmental Laws. If Hazardous Materials are discovered in any portion of the Option Premises, Optionor will immediately notify Optionee of the same and will promptly undertake remediation or removal of the Hazardous Materials in accordance with all Environmental Laws. Optionor's representations and warranties under this Section will be deemed re-made upon any exercise of the Option. Optionor will immediately notify Optionee if any of the foregoing representations of Optionor are or become untrue. "**Environmental Laws**" means all Laws relating to Hazardous Materials or the protection of human health or the environment, and "**Hazardous Materials**" means any above-ground or underground storage tanks and any substance which: requires special handling, storage, investigation, notification, monitoring, or remediation under any Laws; is toxic, explosive, corrosive, erosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous; is regulated by any governmental authority; or causes or threatens a bona fide risk to human health or the environment or a nuisance to the Option Premises or any other premises.

8. Indemnity. Optionor agrees to indemnify, defend and hold harmless Optionee and its officers, agents, employees, successors, assigns, and participants from and against any and all claims, losses, liabilities, damages, fines, penalties, judgments, orders, costs and expenses, including legal expenses, of any kind or nature whatsoever which directly or indirectly arise from or relate to the inaccuracy or breach of any of the representations, warranties or obligations of Optionor under this Agreement. The foregoing indemnity obligations of Optionor will survive expiration or earlier termination of this Agreement.

9. Transfer. Optionor shall not (voluntarily or involuntarily) sell, mortgage, transfer, convey or assign its interest in the Option Premises unless (i) Optionor gives Optionee at least 30 days' prior written notice thereof; and (ii) the buyer, mortgagee, transferee or assignee enters into an agreement in form reasonably acceptable to Optionee acknowledging that its interest is subject in all respects to Optionee's interest in and obligations under this Agreement and the Facility Lease. Optionee may freely transfer or assign this Agreement or any interest in this Agreement to any party, in its sole discretion, without the consent of Optionor.

10. Default. If Optionor defaults in any of its obligations under this Agreement, including under the Ground Lease, and such default is not cured within 15 days after its receipt of notice thereof (or without notice in case of an emergency), Optionee may, at its election, pursue any of its remedies available at law or in equity for such default, including damages and specific performance. In addition Optionee may (but shall not be obligated to) cure such breach on behalf of Optionor and, upon demand, Optionor shall promptly pay to Optionee the costs and expenses of such cure, which costs and expenses shall bear interest at a per annum rate equal to 2% over the Prime Rate published from time to time in the Midwest Edition of the Wall Street Journal, but not in excess of the maximum rate permitted by law. Optionee may offset against payments of amounts due hereunder or to become due hereunder (a) any sums due Optionee under this Agreement if not paid within 30 days after demand, and (b) any damages of Optionee due to default of Optionor and/or other lessee(s) or guarantor(s) under the Facility Lease and/or any related documents, including, without limitation, any guaranties or mortgages. If Optionee defaults in any of its obligations under this Agreement, and such default is not cured within 60 days after its receipt of notice thereof, Optionor may exercise its remedies provided by law; provided that such 60 day period shall be extended for up to an additional 120 days in order to permit Optionee to cure any default that is not reasonably capable of being cured within such initial 60 day period.

11. Subdivision Matters. If the Option Premises constitutes less than the entirety of a legal land parcel and as a result thereof the exercise of the Option or the consummation or existence of the Ground Lease is restricted or otherwise unenforceable under applicable Law, then the Option Premises shall automatically be amended to incorporate the entirety of such legal land parcel.

12. Notices; Recording. All notices or communications hereunder will be in writing and will be delivered to the address set forth above (or to such other address a party may designate from time to time in accordance with this section): (a) personally, by overnight courier, certified mail or first class mail, and deemed given on the date of delivery; or (b) by fax or email (with confirmation of transmission), and deemed given on the date successfully sent, if during the recipient's normal business hours on a business day, or on the next business day if otherwise. Reasonable notice requirements of applicable Laws will be deemed satisfied if notice is given at least ten days before the time of sale, disposition or other event requiring of notice.

13. Further Assurances. Optionor at its own expense will promptly and duly execute and deliver to Optionee such memoranda, conveyances and other documents, and take such further action, as Optionee may from time to time reasonably request in order to establish and protect the rights and remedies created or intended to be created in favor of Optionee, to establish and perfect Optionee's interest in the Option Premises, or to resolve any subdivision or land use matters affecting this Agreement. Optionee may, at its option, record this Agreement or any memorandum hereof, which Optionor hereby agrees to execute and deliver promptly upon request. If Optionor fails to execute such memoranda, conveyances or other documents, Optionee may complete and execute the same on behalf of Optionor as Optionor's duly appointed agent and Attorney-in-Fact.

14. Estoppel Certificate. Optionor and Optionee shall, upon not less than 30 days' prior written notice from the other party, execute and deliver to the requesting party a statement in writing (a) certifying that this Agreement is unmodified (or, if modified, stating the nature of such modification) and in full force and effect and the dates to which charges under the Ground Lease are paid in advance, if any, and (b) acknowledging that there are not, to the requested party's knowledge, any uncured defaults on the part of the requesting party hereunder, or specifying such defaults if any are claimed. Any such statement may be relied upon by any prospective purchaser, subtenant, assignee or encumbrancer of all or any portion of the Option Premises.

15. WAIVER OF JURY TRIAL. OPTIONEE AND OPTIONOR EACH HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR

RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREUNDER. THIS WAIVER IS KNOWINGLY AND VOLUNTARILY MADE BY OPTIONEE AND OPTIONOR, WHO EACH ACKNOWLEDGE THAT NO REPRESENTATIONS HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OR IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THE FOREGOING WAIVER WILL SURVIVE EXPIRATION OR EARLIER TERMINATION OF THIS AGREEMENT.

16. Miscellaneous. (a) Without giving effect to the principles of conflict of laws, this Agreement and the rights and obligations of the parties hereunder will be governed by the Laws of the state in which the Option Premises are located, except to the extent governed by federal law; (b) in this Agreement, the words "include," "includes" or "including" will be deemed to be followed by the words "without limitation," and the words "legal expenses" will be deemed to include all attorneys' and paralegals' fees and other legal costs, fees and expenses; (c) defined terms in this Agreement are applicable to the singular as well as to the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms; (d) if any portion of this Agreement is held by any court to be unenforceable or prohibited by Laws, the rights and obligations of the parties will be construed and enforced with that portion limited so as to make it enforceable to the greatest extent allowed by Laws, or if totally unenforceable, as if this Agreement did not contain that portion; (e) this Agreement may be modified only by a written instrument executed by Optionor and Optionee; (f) this Agreement will inure to the benefit of Optionee, its successors and assigns, and all obligations of Optionor will bind its successors and assigns and follow title to the Option Premises; (g) the headings in this Agreement have been included for ease of reference only and will not be considered in the construction or interpretation; (h) this Agreement may be executed in counterparts, each of which will constitute an original, but all of which when taken together will constitute a single contract, and delivery of an executed counterpart of this Agreement by facsimile or email will be as effective as delivery of the original; (i) "or" has the inclusive meaning represented by the phrase "and/or"; and (j) if Optionor is comprised of more than one persons or entities, then (1) all such persons or entities are jointly and severally liable for all of Optionor's obligations, representations and warranties; (2) the knowledge of each such person or entity will be deemed the knowledge of Optionor; (3) notice given or performance rendered to any such person or entity will be deemed given or rendered to Optionor; (4) the agreement or consent of any such person or entity will be deemed the agreement or consent of Optionor; and (5) each such person will be deemed to have the right, power and authority to bind Optionor.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the day and year first above written.

OPTIONEE:

FARM CREDIT LEASING SERVICES CORPORATION

By: *Susan Bowman*
Printed Name: **Susan Bowman**
Its: Lease Closing Specialist IV

OPTIONOR:

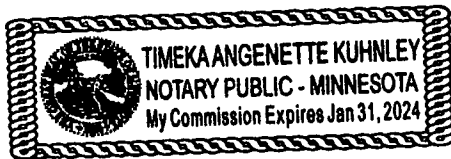
STAUNTON FARMS, A CALIFORNIA LIMITED PARTNERSHIP

By: STAUNTON FARMS, LLC, General Partner
By: *S. L. M. S. L.*
Printed Name: Sidney Marc Staunton
Its: Member

STATE OF MINNESOTA)
)
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this 15th day of July, 2020 by **Susan Bowman**, as Lease Closing Specialist IV of Farm Credit Leasing Services Corporation, a federally chartered instrumentality of the United States. This individual is known to me or has provided me with satisfactory evidence that she is the individual named above.

WITNESS my hand and official seal.

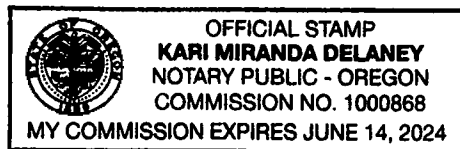


[Signature]
Notary Public
01/31/2024
My commission expires

STATE OF OREGON)
)
COUNTY OF Klamath)

This instrument was acknowledged before me on this 9th day of July, 2020 by Sidney Marc Staunton as Member of STAUNTON FARMS, LLC who is the General Partner of STAUNTON FARMS, A CALIFORNIA LIMITED PARTNERSHIP.

(SEAL)



Kari M. Delaney
Signature of Notarial Officer
Printed Name: Kari M. Delaney
Title and Rank: Notary Public
My commission expires: June 14, 2024

EXHIBIT A TO OPTION TO LEASE

The following real property situated in the County of Klamath, State of Oregon, to wit:

Unsurveyed Parcel 1 on Land Partition 6-16, being a replat of Parcel 1 of Land Partition 27-10, situated in the W1/2 of Govt Lot 14 and a Portion of Govt Lot 20, in SW1/4 of Section 15, Township 41 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, recorded November 18, 2016 Instrument No. 2016-012350 Records of Klamath County, Oregon.

EXHIBIT B TO OPTION TO LEASE

One (1) Custom 220' x 210' Potato Conditioning Storage Facility together with all fixtures, attachments, components, and accessories, all as leased pursuant to Contract No. 001-0113275-000.