

Return Address:

Northwest FCS-Klamath Falls
300 Klamath Ave, Ste 200
Klamath Falls, OR 97601-6308

**SUBORDINATION, NONDISTURBANCE
AND ATTORNMENMENT AGREEMENT**

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENMENT AGREEMENT (this "Agreement") is made effective as of October 27, 2020, by and among **HORSEFLY IRRIGATION DISTRICT**, an Oregon Irrigation District, whose address is 2797 Market St, Bonanza, OR 97623 ("Tenant"); **BLISS ROAD INVESTMENT, LLC**, successor in interest to **ROXANNE MARIE PAYNE, TRUSTEE AND KENNEDY JOSEPH PAYNE, TRUSTEE OF THE PAUL & MARILYN HOEFLE JOINT REVOCABLE LIVING TRUST**, whose address is 233 SW Wilson Ave., Bend, OR 97702 ("Landlord"); and **NORTHWEST FARM CREDIT SERVICES, FLCA**, a corporation organized and existing under the laws of the United States ("Lender"), whose address is 2001 South Flint Road, Spokane, WA 99224-9198, P.O. Box 2515, Spokane, WA 99220-2515.

WITNESSETH:

RECITALS

WHEREAS, Lender and Bliss Road Investment, LLC, a Limited Liability Company ("Borrower") have entered into or will enter into a certain Note dated on or around October 27, 2020, with a final maturity date of July 1, 2040, as amended, extended or renewed (the "Note"), together with a loan agreement, security documents and any other document or instrument signed in connection with the Note, loan agreement and security documents and any amendments, modifications and replacements thereto (collectively, the "Loan Documents") referenced as Note No. 6254406; and

WHEREAS, Landlord and Tenant have entered into a certain Lease Agreement dated March 31, 1967, amended by Amendment to Lease Agreement of which was recorded on June 14, 2019, under Recording No. 2019-006725, Klamath County Records, State of Oregon (which lease as the same may hereafter be amended and supplemented, is hereinafter collectively called the "Lease"), whereby Landlord is leasing to the Tenant certain property described on Exhibit A, attached hereto and made a part hereof (the "Property"); and

WHEREAS, Tenant acknowledges that Lender is willing to enter into the Loan Documents only on the condition that Tenant and Landlord duly execute and deliver this Agreement to Lender.

NOW, THEREFORE, the parties hereto, in consideration of the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby agree as follows:

1. Landlord and Tenant represent that the Lease is in full force and effect, there is no event of default under the Lease, or no condition that currently exists to the best of Landlord or Tenant's knowledge and belief, that would ripen into an event of default under the Lease.

2. The Lease and any and all extensions, amendments, modifications and renewals thereof, along with all Tenant's rights and interests expressed therein, are hereby subjected and subordinated to that certain Deed of Trust and Fixture Filing in favor of Lender, dated October 27, 2020, recorded ~~on~~ ^{concurrently herewith}, under ~~Recording No.~~ _____ in the Official Records of Klamath County, Oregon (as modified, amended or restated, the "Security Instrument"), to the same extent as if the Security Instrument had been executed, delivered and recorded prior to the execution of the Lease.

3. Tenant represents that it has no right or option of any nature to purchase the Property or any portion of the Property or any interest in the Landlord, if Landlord is an entity. To the extent Tenant has or acquires any such right or option, these rights or options are acknowledged to be subject and subordinate to the Security Instrument and are waived and released as to Lender and any foreclosure purchaser.

4. Lender, or any other such party, acknowledges that so long as Tenant continues to pay rent as provided for in the Lease and has not otherwise been determined by a court of competent jurisdiction to be in default under any of the material terms and provisions therein, Lender hereby represents, covenants and warrants that it shall not disturb Tenant's rights to possession and quiet enjoyment in and of the Property as set forth in the Lease. Nor shall the leasehold estate granted by the Lease be affected in any manner whatsoever. Nor shall the obligations and/or duties of the parties thereunder be modified or amended in any way, notwithstanding any foreclosure or proceedings in lieu thereof affecting the Property, whether or not Tenant is made a party thereto.

5. Lender, or any other such party, acknowledges that upon passage of the title in the Property to Lender, or to any other such party, in a foreclosure or proceedings in lieu thereof, the party acquiring title shall thereupon, during the period of its ownership, by virtue of such acquisition of title and continued ownership, and without execution of any further instruments or documents, be deemed to be the landlord for all purposes of the Lease during the entire period of such ownership, and shall be deemed to have assumed the full and complete performance of all obligations and/or duties of the Landlord as set forth in the Lease having accrued during such period of ownership.

6. In the event that Lender, or any other such party, succeeds to the interest of Landlord under the Lease by foreclosure, or by acquisition of title to the Property in lieu of foreclosure, or by any other action taken under the Security Instrument by Lender; or in the event that Lender exercises the rights granted to it by assignment, Tenant hereby agrees to be bound to Lender, or such other party, under all of the terms, covenants and conditions of the Lease. Tenant further agrees that it shall be liable to and recognize Lender, or such other party, as Tenant's new landlord for the balance of the term or any renewal or extension terms of the Lease upon and subject to all terms and conditions therein. Landlord and Tenant both agree that the Lease and the rights of Tenant thereunder, including Tenant's use of easements and rights of renewal granted therein, shall continue in full force and effect as a direct lease between Tenant and Lender, or such other party, upon all the terms and conditions as set forth in the Lease. Lender, or such other party, further represents and warrants that the rights of Tenant thereunder shall not be terminated or disturbed except in accordance with the terms and conditions of the Lease. Upon Tenant's receipt of Lender's, or such other party's, written request, Tenant shall thereafter pay rent, as set forth in the Lease, as instructed by Lender or such other party. Such request shall be forwarded to Tenant by certified mail, return receipt requested or registered mail, postage prepaid.

7. If Lender succeeds to the interest of Landlord or any successor to Landlord, in no event shall Lender have any liability for any act or omission of Landlord or any prior landlord under the Lease which occurs prior to the date Lender succeeds to the rights of Landlord under the Lease.

8. Tenant and Landlord agree not to amend, modify or extend the Lease without Lender's prior written consent which shall not be unreasonably withheld. Tenant and Landlord further agree with Lender that they will not voluntarily subordinate the Lease to any lien or encumbrance without Lender's prior written consent.

9. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute and be construed as one and the same instrument.

10. All remedies of the parties hereto are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between such parties. If any party consists of multiple individuals or entities, each of same shall be jointly and severally liable for the obligations of such party hereunder.

11. All notices, requests and demands required hereunder must be in writing, addressed to each party at the address specified above or to such other address as any party may designate by written notice to each other party, and shall be deemed to have been given or made as follows: (a) if personally delivered, upon delivery; (b) if sent by mail, upon the earlier of the date of receipt or three (3) business days after deposit in the U.S. Mail, first class and postage prepaid; and (c) if sent by telecopy, upon receipt.

12. This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Oregon.

13. This Agreement shall apply to, bind and inure to the benefit of the parties hereto and their respective successors and assigns.

14. If any party to this Agreement finds it necessary to adjudicate this Agreement or to employ an attorney for the enforcement of any of the provisions herein, then the prevailing party, or if there is no prevailing party, the substantially prevailing party, shall be awarded its attorneys' fees and costs.

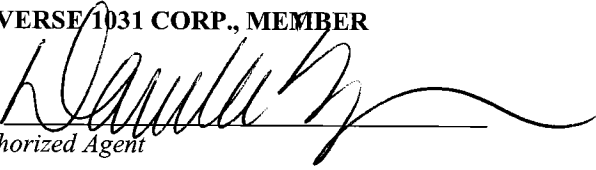
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

TENANT:
HORSEFLY IRRIGATION DISTRICT

By: _____
Authorized Agent

LANDLORD:
BLISS ROAD INVESTMENT, LLC

By: REVERSE 1031 CORP., MEMBER

By: 
Authorized Agent

LENDER:
NORTHWEST FARM CREDIT SERVICES, FLCA

By: _____
Authorized Agent

Signed in counterpart.

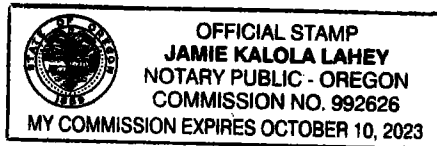
STATE OF _____)
)ss.
County of _____)

On this _____ day of _____, 20____, before me personally appeared _____, known to me to be the Authorized Agent of Horsefly Irrigation District, the Oregon Irrigation District that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.

Notary Public for the State of _____
Residing at _____
My commission expires _____
Printed Name _____

STATE OF Oregon)
)ss.
County of Deschutes)

On this 4 day of November, 2020, before me personally appeared Danielle Brock known to me to be the Authorized Agent of Reverse 1031 CORP., the corporation that executed the within instrument as a member/manager of Bliss Road Investment, LLC, the limited liability company that executed the within instrument, and acknowledged that such corporation executed the same as such member/manager and in the company name freely and voluntarily, and on oath stated that he/she were authorized to execute said instrument.



Jamie Kalola Lahey
Notary Public for the State of Oregon
Residing at Bend, OR
My commission expires October 10, 2023
Printed Name Jamie Kalola Lahey

STATE OF _____)
)ss.
County of _____)

On this _____ day of _____, 20____, before me personally appeared _____, known to me to be the Authorized Agent of Northwest Farm Credit Services, FLCA, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.

Notary Public for the State of _____
Residing at _____
My commission expires _____
Printed Name _____

Signed in counterpart.

Subordination, Nondisturbance and Attornment Agreement
(Bliss Road Investment, LLC/Note No. 6254406)

9. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute and be construed as one and the same instrument.

10. All remedies of the parties hereto are cumulative and shall be in addition to any and all other rights and remedies provided by law and by other agreements between such parties. If any party consists of multiple individuals or entities, each of same shall be jointly and severally liable for the obligations of such party hereunder.

11. All notices, requests and demands required hereunder must be in writing, addressed to each party at the address specified above or to such other address as any party may designate by written notice to each other party, and shall be deemed to have been given or made as follows: (a) if personally delivered, upon delivery; (b) if sent by mail, upon the earlier of the date of receipt or three (3) business days after deposit in the U.S. Mail, first class and postage prepaid; and (c) if sent by telecopy, upon receipt.

12. This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Oregon.

13. This Agreement shall apply to, bind and inure to the benefit of the parties hereto and their respective successors and assigns.

14. If any party to this Agreement finds it necessary to adjudicate this Agreement or to employ an attorney for the enforcement of any of the provisions herein, then the prevailing party, or if there is no prevailing party, the substantially prevailing party, shall be awarded its attorneys' fees and costs.

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

TENANT:
HORSEFLY IRRIGATION DISTRICT

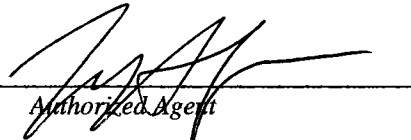
By: 
Authorized Agent

LANDLORD:
BLISS ROAD INVESTMENT, LLC

By: REVERSE 1031 CORP., MEMBER

By: _____
Authorized Agent

LENDER:
NORTHWEST FARM CREDIT SERVICES, FLCA

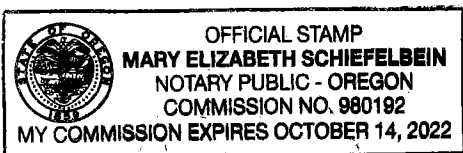
By: 
Authorized Agent

Signed in counterpart.

Subordination, Nondisturbance and Attornment Agreement
(Bliss Road Investment, LLC/Note No. 6254406)

STATE OF Oregon)
County of Klamath)ss.

On this 3 day of November, 2020, before me personally appeared Eric Macridge, known to me to be the Authorized Agent of Horsefly Irrigation District, the Oregon Irrigation District that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.



Mary Elizabeth Schiefelbein
Notary Public for the State of Oregon
Residing at Bonanza, OR
My commission expires 10-24-2022
Printed Name Mary Elizabeth Schiefelbein

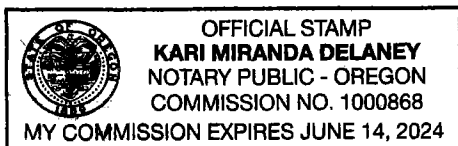
STATE OF _____)
County of _____)ss.

On this _____ day of _____, 20____, before me personally appeared _____, known to me to be the Authorized Agent of Reverse 1031 CORP., the corporation that executed the within instrument as a member/manager of Bliss Road Investment, LLC, the limited liability company that executed the within instrument, and acknowledged that such corporation executed the same as such member/manager and in the company name freely and voluntarily, and on oath stated that he/she were authorized to execute said instrument.

Notary Public for the State of _____
Residing at _____
My commission expires _____
Printed Name _____

STATE OF OR)
County of Klamath)ss.

On this 5th day of November, 2020, before me personally appeared Jared Alves, known to me to be the Authorized Agent of Northwest Farm Credit Services, FLCA, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.



Kari M. Delaney
Notary Public for the State of OR
Residing at Klamath Falls
My commission expires June 14 2024
Printed Name Kari M. Delaney

Signed in counterpart.

Subordination, Nondisturbance and Attornment Agreement
(Bliss Road Investment, LLC/Note No. 6254406)

EXHIBIT A
SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT
PROPERTY DESCRIPTION

Partially unsurveyed Parcel 2 Land Partition 30-19 in Section 25, Section 26, S1/2 of Section 23, NE1/4 Section 35, N1/2 Section 36, Township 38 South, Range 11 1/2 East, Willamette Meridian, Klamath County, Oregon and Recorded August 14, 2020, as Instrument Nol. 2020-010171, Klamath County Records and more particularly described as follows:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 25, THENCE NORTH 00°08'29" WEST 3087.55 FEET ALONG THE WEST SECTION LINE OF SAID SECTION 25; THENCE NORTH 00°08'29" WEST 461.03 FEET; THENCE NORTH 00°09'50" WEST 1753.18 FEET TO THE NORTHEAST CORNER OF SECTION 26; THENCE ALONG THE NORTH SECTION LINE OF SECTION 25 NORTH 89°58'39" EAST 2500.00 FEET; THENCE LEAVING SAID SECTION LINE SOUTH 19°24'21" EAST 424.03 FEET TO A POINT ON THE NORTH-SOUTH CENTERLINE OF SECTION 25; THENCE ALONG SAID CENTERLINE SOUTH 00°07'38" EAST 2239.62 FEET TO THE CENTER 1/4 CORNER OF SECTION 25; THENCE LEAVING SAID CENTERLINE NORTH 89°59'09" EAST 2639.01 FEET TO THE EAST 1/4 CORNER OF SECTION 25; THENCE SOUTH 00°06'21" EAST 2640.00 FEET TO THE SOUTHEAST CORNER OF SECTION 25; THENCE SOUTH 00°06'21" EAST 2640.00 FEET TO THE EAST 1/4 CORNER OF SECTION 36; THENCE SOUTH 89°56'39" WEST 1319.50 FEET TO THE EAST 1/16 CORNER OF SECTION 36; THENCE NORTH 00°05'42" WEST 1320.58 FEET TO THE NORTHEAST 1/16 CORNER OF SAID SECTION 36; THENCE SOUTH 89°58'09" WEST 2638.51 FEET TO THE NORTHWEST 1/16 CORNER OF SAID SECTION 36; THENCE SOUTH 00°04'25" EAST 1042.10 FEET; THENCE NORTH 90°00'00" WEST 55.00 FEET; THENCE SOUTH 00°00'00" EAST 73.86 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY OF HIGHWAY 70; THENCE ALONG SAID RIGHT-OF-WAY NORTH 60°32'36" WEST 2247.38 FEET TO A POINT ON THE SOUTH LINE OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 35; THENCE LEAVING SAID RIGHT-OF-WAY OF HIGHWAY 70 AND ALONG SAID SOUTH LINE NORTH 89°28'04" EAST 451.05 FEET; THENCE NORTH 89°28'04" EAST 238.58 FEET TO THE EAST SECTION LINE OF SAID SECTION 35; THENCE LEAVING SAID SOUTH LINE AND ALONG SAID EAST SECTION LINE NORTH 00°00'42" EAST 312.50 FEET THENCE NORTH 00°00'42" EAST 329.86 FEET; THENCE NORTH 00°00'42" EAST 610.27 FEET; THENCE NORTH 00°00'42" EAST 50.06 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

Tax Account Nos: 484265, 484568 and 484327