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Recording Requested By:	STATE OF OREGON}
Rural Community Assistance Corporation 3120 Freeboard Drive, Suite 201 West Sacramento, CA 95691	County of Klamath } I certify that the within instrument was received for record on the day of
And When Recorded Mail To:	
Rural Community Assistance Corporation Attn: Loan Administration Department 3120 Freeboard Drive, Suite 201 West Sacramento, CA 95691	Name Title By: Deputy
Loan No: 0227-KFHA-01	Space above this line for Recorder's Use
	SOO 63 - KR TION AGREEMENT TRUST DEED

1360

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

This subordination agreement ("Agreement") is made as of January 31, 2001, by and between Klamath Falls Housing Authority, a Public Agency ("KFHA"), the United States Department of Agriculture acting through the Farmers Home Administration, ("Agency") and Rural Community Assistance Corporation, a California nonprofit public benefit corporation ("RCAC").

WITNESSETH

WHEREAS, on August 25, 2000, KFHA executed a deed of trust to the AmeriTitle, as trustee, and, RCAC as beneficiary, covering certain real property in the County of Klamath, State of Oregon, a portion of which KFHA wishes to use as security for a new loan from Agency, that portion is more particularly described in Exhibit A attached hereto and by this reference made a part hereof, hereinafter referred to as the "Property". Said deed of trust was provided to secure a note in the sum of Two Hundred Thousand Dollars and No Cents (\$200,000.00), dated August 25, 2000 in favor of the RCAC, and which deed of trust was recorded on September 19, 2000 in Volume M00, Page 34271, Microfilm Records of Klamath County, State of Oregon, hereinafter referred to as "RCAC Deed";

WHEREAS, on August 25, 2000, KFHA executed a financing statement to RCAC as secured party, covering certain real and personal property in the County of Klamath, State of Oregon, as additional collateral for the RCAC Loan, a portion of which KFHA wishes to use as collateral for a new loan from Agency, that portion is more particularly described in Exhibit A. The financing statement recorded on September 19, 2000 in Volume M00, Page 34286, Microfilm Records of Klamath County, State of Oregon, hereinafter referred to as "RCAC Financing Statement";

WHEREAS, KFHA applied for a loan ("Loan"), from Agency's Section 514/516 farmworker housing program to construct a 25-unit multifamily farmworker housing complex be constructed on the Property;

Subordination Agreement Page 1 of 3 WHEREAS, on September 28, 1999 Agency conditionally approved the Loan in the amount of Eight Hundred Four Thousand Dollars and No Cents (\$804,000.00) and issued its conditional commitment to KFHA in which it agreed to make the Loan under certain terms and conditions;

WHEREAS it is a condition precedent to Agency making the Loan that KFHA shall enter into a loan agreement with Agency ("Loan Agreement") and give Agency a promissory note for the loan amount to evidence the Loan ("Note"), and that Note shall be secured by a deed of trust and UCC-1 financing statement to Farmers Home Administration, United State Department of Agriculture, acting through the State Director of the Farmers Home Administration for the State of Oregon, as trustee, naming Agency as beneficiary and secured party, ("Agency Deed and Financing Statement"), and the Agency Deed and Financing Statement must unconditionally be and remain at all times during the term of the Loan a first position lien or charge upon the Property;

WHEREAS it is to the mutual benefit of the parties hereto that Agency make the Loan and RCAC is willing to subordinate its RCAC Deed and RCAC Financing Statement to the Agency Deed and Financing Statement:

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce Agency to enter into the Loan, the parties hereto declare, understand and agree:

- 1. That the Agency Deed securing the Loan as well as all other obligations recited therein as being secured thereby, and any renewals or extensions thereof, unconditionally shall be and remain at all times a lien or charge upon the Property prior and superior to the lien or charge of the RCAC Deed and RCAC Financing Statement;
- 2. That Agency would not enter into the Loan Agreement nor make the Loan without this Agreement;
- 3. That this Agreement shall be the whole and only agreement with regard to the subordination of the RCAC Deed and RCAC Financing Statement in favor of the Agency Deed and Financing Statement, and this Agreement shall supersede and cancel, but only insofar as would affect the priority between the RCAC Deed and RCAC Financing Statement and the Agency Deed and Financing Statement, any prior agreement as to such subordination, including but not limited to, those provisions, if any, contained in the RCAC Deed and RCAC Financing Statement which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

RCAC declares, agrees and acknowledges that:

- 1. It consents to the Loan and approves all provisions of the Loan Agreement, Note and Lender Deed;
- 2. It intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the RCAC Deed and RCAC Financing Statement in favor of the Agency Deed, as to the Loan as well as all other obligations recited therein as being secured thereby, and

understands that in reliance upon and in consideration of this waiver, relinquishment and subordination, specific monetary and other obligations are being made and will be entered into which would not be made or entered into but for Agency's reliance upon this waiver, relinquishment and subordination.

The parties hereto further agree:

- This Agreement may be executed in any number of separate counterparts, each of which shall be deemed an original, and all of which counterparts taken together shall constitute one agreement; and
- 2. This Agreement will be governed by or construed in accordance with the laws of the State of Oregon and federal law, where applicable.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Klamath Falls Housing Authority, a Oregon Public Agency

Wayne connors	
Wayne Connors Executive Director	
Rural Community Assistance Corporation,	

A California nonprofit public benefit corporation

Meyin McCumber

Meyin McCumber

Chief Financial Officer

United States Department of Agriculture

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Exhibit A

RCAC Loan Number 0227-KHA-01

Parcel 1 of Land Partition No. 8-00 on file in the office of Klamath County Clerk, being a partition of Parcel 2 of Land Partition 58-94, on file in the office of the Lkamath County Clerk, situated in the SE1/4 NE1/4 of Section 14, Township 39 South, Range 9 East, Willamette Meridian, Klamath County, Oregon.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California)	
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County of YULU		- J	
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personally appeared	vin McCum	ber————————————————————————————————————	
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☐ Attorney in Fact			
☐ Trustee			
			
☐ Guardian or Conservator			
			

o 1999 National Notary Association • 9350 De Soto Ave., P.O. Box 2402 • Chatsworth, CA 91313-2402 • www.natix

State of Oregon, County of Klamath

Recorded 02/02/01, at 3:28 p. m.

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Linda Smith,

County Clerk Fee\$ 4/00