

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT is entered into as of the date set forth below by and between RCC HOLDINGS, INC., a corporation ("RCC") and Bank of the Cascades ("Lender").

WITNESSETH:

WHEREAS, Lender is now the owner and holder of (i) a Line of Credit Deed of Trust dated March 29, 2005 recorded in Official Record Book M05, Page 21999, recorded in the official records in Klamath County, Oregon (collectively, the "Mortgage"), which Mortgage secures certain indebtedness owed to Lender by Silver Lake Development LLC, (the "Landlord") and which encumbers that certain real property, together with the buildings and improvements thereon, known as the 706 Building located at 707 Main Street, Klamath Falls, Oregon 97601; and

WHEREAS, RCC is the lessee under a Lease Agreement with Landlord (the "Lease") dated December 29, 2004⁵ covering certain premises described in Exhibit A attached hereto and incorporated herein by this reference and more particularly described in the Lease (hereinafter referred to as the "Premises"); and

WHEREAS, RCC and Lender desire to confirm their understanding with respect to the Lease and the Mortgage.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Lender and RCC hereby agree and covenant as follows:

1. The Lease and the rights of RCC thereunder are now and at all times hereafter shall be subject and subordinate to the Mortgage and to all renewals, modifications or extensions thereof, to the full extent of the principal and all other indebtedness secured thereby.

2. So long as RCC is not in default (beyond any period given RCC to cure such default) in the payment of rent or in the performance of any of the terms, covenants or conditions of the Lease on RCC's part to be performed, RCC's possession of the Premises and RCC's rights and privileges under the Lease, or any renewals, modifications, or extensions thereof which may be effected in accordance with any option granted in the Lease, shall not be diminished or interfered with by Lender, and RCC's occupancy of the Premises shall not be disturbed by Lender during the term of the Lease or any such renewals, modifications, or extensions thereof.

3. So long as RCC is not in default (beyond any period given RCC to cure such default) in the payment of rent or in the performance of any of the terms, covenants or conditions of the Lease on RCC's part to be performed, Lender will not join RCC as a party defendant for the purpose of terminating or otherwise affecting RCC's interest and estate under the Lease in any action or proceeding brought by Lender for the purpose of enforcing any of its rights in the event of any default under the Mortgage; provided however, Lender may join RCC as a party in any such action or proceeding if such joinder is necessary under any statute or law for the purpose of effecting the

O/c Randy Windling

remedies available to the Lender under the Mortgage, but only for such purpose and not for the purpose of terminating the Lease.

4. If Lender shall become owner of the Premises by reason of foreclosure or other proceedings brought by it or by any other manner, or if Lender succeeds to the interests of the landlord under the Lease, RCC shall be bound to Lender under all of the terms, covenants and conditions of the Lease for the balance of the term thereof remaining and any extensions or renewals thereof which may be effected in accordance with any renewal or extension option granted in the Lease, with the same force and effect as if Lender were the Landlord under the Lease, and RCC does hereby attorn to Lender as its Landlord, such attornment to be effective and self-operative without the execution of any further instruments on the part of any of the parties hereto; provided, however, that RCC shall be under no obligation to pay rent to Lender until RCC receives written notice from Lender that it has become such owner or has succeeded to the interest of the Landlord under the Lease. The respective rights and obligations of RCC 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, shall 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 with the same force and effect as if set forth at length herein.

5. If Lender shall become owner of the Premises or if Lender shall succeed to Landlord's interest in the Lease, then during the period of Lender's ownership of such interest, but not thereafter, Lender shall be bound to RCC under all the terms, covenants and conditions of the Lease, and during the period of Lender's ownership of Landlord's interests in the Lease, RCC shall have the same remedies against Lender for the breach of an agreement contained in the Lease that RCC would have had against Landlord if Lender had not become such owner or had not succeeded to Landlord's interest therein; provided, however, that notwithstanding any provision in the Lease to the contrary, Lender shall not be:

(a) Liable for any act or omission of any prior landlord arising under the Lease (including the Landlord) or subject to any offsets or defenses which RCC may have against any prior landlord arising under the Lease (including the Landlord); or

(b) bound by any rents or additional rent which RCC might have paid for more than the current month to any prior landlord (including the Landlord); or

(c) bound by any amendment or modification of the Lease made without its consent which (i) decreases the rents or other contractual sums payable by RCC, (ii) extends the term or renewal options beyond that as stated in the Lease, or (iii) imposes any greater obligations on Landlord than are set forth in the Lease; or

(d) in any way responsible for any deposit or security which was delivered to Landlord but which was not subsequently delivered to Lender.

6. The terms "holder of mortgage" and "Lender" or any similar term herein or in the Lease shall be deemed to include Lender and any of its successors or assigns, including anyone who shall have succeeded to ownership of the Premises or to Landlord's interest by, through or under foreclosure of the Mortgage, or deed in lieu of such foreclosure or otherwise.

7. The term "Landlord" shall be deemed to include Landlord, the holder of the lessor's interest in the Lease and the heirs, personal representatives, administrators, successors and assigns of any of the foregoing.

8. The Landlord has assigned or may assign to Lender all of Landlord's right, title and interest in the Lease by an Assignment of Rents and Leases ("Rent Assignment"). If in the future there is a default by the Landlord in the performance and observance of the terms of the Mortgage, the Lender may at its option under the Rent Assignment require that all rents and other payments due under the Lease be paid directly by Lender. Upon notification to that effect by the Lender, the Landlord hereby authorizes and directs the RCC and the RCC agrees to pay any payments due under the terms of the Lease to the Lender. The Rent Assignment does not diminish any obligations of the Landlord under the Lease or impose any such obligations on the Lender.

9. This Agreement may not be modified except by a written agreement signed by the parties hereto or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective heirs, personal representatives, administrators, successors and assigns.

10. Any notice required herein or by applicable law shall be deemed properly given (a) when personally delivered (to the person or department if one is designated below), (b) as of the delivery date shown on the return receipt when sent by United States Mail, certified or registered, postage prepaid, return receipt requested, or (c) one day after the date sent by Federal Express or overnight United States Mail or other national overnight carrier, and addressed in each such case as set forth below:

If to RCC:

RCC Holdings, Inc.
3905 Dakota Street
Alexandria, Minnesota 56308
Attn: Real Estate Manager

If to Lender:

Bank of the Cascades
Portland Business and Professional Office
888 SW Fifth Ave. Suite 1000
Portland, OR 97204

Either party may by notice given as herein provided change its address to another single address.

IN WITNESS WHEREOF, the parties have executed this Agreement on the respective dates set forth in the acknowledgments below.

Lender

BANK OF THE CASCADES

By: _____

Its: _____

VICE PRESIDENT

RCC

RCC HOLDINGS, INC.

By: _____

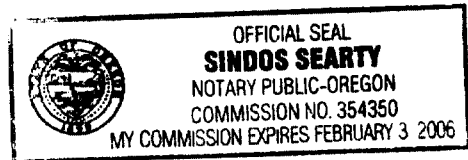
Its: _____

RICHARD EKSTRAND
PRESIDENT/CEO

STATE OF _____
COUNTY OF _____

Oregon

Multnomah



I, Sindos Searty, a Notary Public in and for said County in said State, hereby certify that Jim Kennedy, of Bank of the Cascades, as its officer is signed to the foregoing agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of the agreement, he she as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this 3rd day of February, 2005.

Sindos Searty
NOTARY PUBLIC
My Commission Expires: Feb. 3rd 2005

STATE OF MINNESOTA)
DOUGLAS COUNTY)

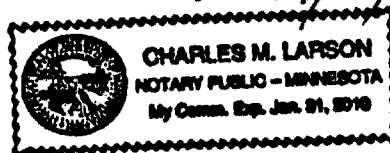
I, the undersigned authority in and for said county in said state, hereby certify that Richard Ekstrand whose name as President of RCC Holdings, Inc., a corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 29th day of December,
20045

Charles M. Larson

NOTARY PUBLIC

My Commission Expires: 1/31/2010

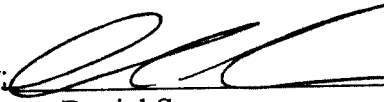


LANDLORD'S CONSENT

Landlord enters into this Agreement for the purpose of acknowledging the signing and delivering thereof by the above parties and for the purpose of agreeing to the matters hereinabove stated which affect Landlord's interests in the Lease and the Premises.

Landlord:

SILVER LAKE DEVELOPMENT LLC

By: 
Daniel Sprouse

Its: CFO/COO

Date: 12-15-05


STATE OF OREGON)

) ss.

COUNTY OF CLACKAMAS)

On this 15 day of December, 2005, before me personally appeared Daniel Sprouse, known to me to be the CFO/COO of Silver Lake Development LLC that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said LLC for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.


Notary Public in and for the
State of Oregon

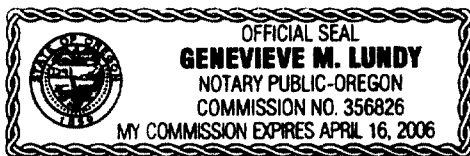


Exhibit A

Premises Description

Lot 5 in Block 39 Linkville, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon:

SAVING AND EXCEPTING the following: Beginning at the most Westerly corner of Lot 5 of said Block 39; thence from said point of beginning South 50°50' East along the Southwesterly line of said Lot 5, 112.25 feet to a point; thence North 39°05' East parallel to the Southeasterly line of said Lot 5, 25.09 feet to the center of an existing building wall; thence North 50°55' West parallel to the Southwesterly line of said Lot 5 and along the center of said building wall 112.25 feet to a point on the Northwesterly line of said Lot 5; thence South 39°05' West along the Northwesterly line of said Lot 5, 25.09 feet to the point of beginning.