

WTC 84112

2010-007064

Klamath County, Oregon



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06/10/2010 10:07:00 AM

Fee: \$57.00

After Recording Return to
Housing and Community Services
Attn: Multifamily Housing Section
725 Summer Street, Suite B
Salem, OR 97301-1266

SPACE ABOVE FOR RECORDERS USE

**HOUSING AND COMMUNITY SERVICES DEPARTMENT
STATE OF OREGON**

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made this 10 day of June, 2010, by and between the State of Oregon, acting by and through its Housing and Community Services Department, (hereafter, the "Subordinator") and Arbor Commercial Funding, LLC (hereafter, the "Lender").

RECITALS

- A. Lender intends to make a **ten (10)** year loan to AGT Apartments LLC, ("Borrower"), an Oregon limited liability company, the owner of property in Klamath County, Oregon, as described in Exhibit A attached hereby and made a part hereof.
- B. As a condition of the loan, Lender requires that the Trust Deed that will secure Lender's term loan, together with the other loan documents, constitute a first and primary lien against the Property and be binding upon the Borrower and upon all future owners of the Property.
- C. Subordinator has made, or intends to make, certain grants to Borrower, which grants include restrictive covenants pertaining to the Property. Subordinator acknowledges that the covenants for said grants will be enhanced by the Borrower obtaining a term loan such as that which Lender intends to make to Borrower. To induce Lender to make its term loan, the Subordinator agrees and consents to subordinate its interest in the Property to the interest of Lender as more fully set forth below.

AGREEMENT

WHEREFORE, for good and valuable consideration, including the inducement of Lender to make its loan, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Subordinator agrees, covenants and consents to and with Lender, its successors and assigns, that the Subordinator's interest pursuant to the instruments described in Paragraph 2 below affecting the Property, and the restrictions created thereby, always shall be subject, subordinate and junior to the interest of Lender pursuant to Lender's loan documents, or any part of same, to be granted by Borrower and recorded with regard to the Property in favor of Lender securing its loan in the amount of **Nine Hundred Fifty Thousand Dollars (\$950,000.00)** and dedicating the use of the Property to the purposes, and subjecting the Property to the restrictions provided in the Lender's Loan Documents.

Subordination Agreement to Lender
Applegate Trails Apartments – OR93-505
Page 1 of 4

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2. The instruments subject to this Agreement, which instruments are incorporated herein by this reference, include the following:

(a) Project Use Agreement dated June 23, 1994, recorded June 24, 1994 in the Mortgage Records of Klamath County, Oregon in Volume M94, page 19795

(b) Oregon Housing and Community Services Department Low Income Tax Credit Declaration of Land Use Restrictive Covenants dated December 28, 1995, recorded December 29, 1995 in Volume M95, page 35635

together with any other instrument executed by the Borrower in favor of the Subordinator and affecting the Property.

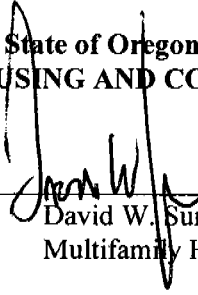
3. Subordinator agrees, covenants and consents to and with Lender, its successors and assigns, that Subordinator shall provide Lender with at least thirty (30) days written notice of any default by Borrower under the instruments in favor of the Subordinator with respect to the Property and the Subordinator does hereby grant Lender thirty (30) days, or such longer period as is reasonable, to cure any said default by the Borrower. Lender shall have no obligation to effect such a cure, but may do so or not at its sole discretion.

4. It is expressly understood and agreed that nothing herein contained shall be construed to change, alter or impair the Subordinator's Lien, except as hereinabove expressly set forth.

IN WITNESS WHEREOF, this instrument has been duly executed as of the date and year first above written.

SUBORDINATOR:

The State of Oregon, acting by and through its
HOUSING AND COMMUNITY SERVICES DEPARTMENT

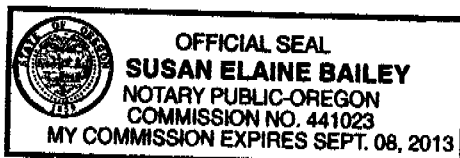
By: 
David W. Summers, Manager
Multifamily Housing Section


STATE OF OREGON)

: ss

County of Marion)

The foregoing instrument was acknowledged before me this 7 day of June, 2010, by David W. Summers, Manager, Multifamily Housing Section, Oregon Housing and Community Services Department, on behalf of the Department.




NOTARY PUBLIC FOR OREGON
My Commission Expires: 9/8/13

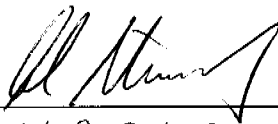
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Subordination Agreement to Lender
Applegate Trails Apartments – OR93-505

Page 2 of 4

LENDER:

ARBOR COMMERCIAL FUNDING, LLC,
a New York limited liability company

By: 
Name: ALAN STEINMETZ
Title: Authorized Signatory

STATE OF NEW YORK)

County of Nassau) : SS

The foregoing instrument was acknowledged before me this 8th day of June, 2010, by
Alan Steinmetz, Authorized Signatory of Arbor Commercial Funding, LLC on
behalf of said Lender.

ADAM DRATCH
NOTARY PUBLIC-STATE OF NEW YORK
No. 02DR6178583
Qualified In Rockland County
My Commission Expires December 03, 2011


NOTARY PUBLIC FOR NEW YORK
My Commission Expires: _____

EXHIBIT A

Real property in the County of Klamath, State of Oregon, described as follows:

A tract of land situated in the SW1/4 of Section 11, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the initial point on the South right of way line of Bristol Avenue, from which the Northwest corner of Tract No. 1026 bears North 89 degrees 32' 55" East 520.00 feet and S-N-S 1/256 corner bears South 89 degrees 38' West 916.15 feet and North 30.00 feet by Deed; thence North 89 degrees 32' 55" East along said right of way, 260.00 feet, to the Northwest corner of that tract of land described in Volume M87, page 14676, Microfilm Records of Klamath County, Oregon; thence, along the boundaries of said tract and that tract described in Volume M96, page 19616, Microfilm Records of Klamath County, Oregon, South 00 degrees 27' 05" East 295.00 feet and North 89 degrees 32' 55" East 150.00 feet; thence South 00 degrees 27' 05" East 120.00 feet; thence North 89 degrees 32' 55" East 126.30 feet, to the Westerly boundary of Tract 1026 - THE MEADOWS, a duly recorded subdivision; thence along said boundary South 22 degrees 42' 12" East 79.24 feet and South 37 degrees 56' 58" East 89.06 feet; thence along the Northerly right of way line of the U.S.B.R. 1-C-3-B Drain, South 47 degrees 42' 00" West 152.16 feet; thence along the Northerly right of way of the U.S.B.R. F-7 (A-3-C) Lateral, North 59 degrees 30' 00" West 811.30 feet to the Westerly line of that property described in Deed Volume 284, page 485, Deed Records of Klamath County, Oregon; thence following said Westerly line; North 00 degrees 27' 05" West 61.45 feet, North 67 degrees 54' 55" East 202.89 feet and North 00 degrees 27' 05" West 107.00 feet to the point of beginning.

TOGETHER WITH an easement as evidenced by Warranty Deed dated June 14, 1976, recorded June 28, 1976, in Volume M76, page 9724, Microfilm Records of Klamath County, Oregon, and an easement as evidenced by Warranty Deed dated November 6, 1978, recorded November 20, 1978, in Volume M78, page 26188, Microfilm Records of Klamath County, Oregon.