

WHEN RECORDED RETURN TO:

Washington State Department of Community,
Trade and Economic Development
Housing Trust Fund
906 Columbia Street Southwest
Post Office Box 42525
Olympia, Washington 98504-2525
Attention: Bonnie L. Scott (360) 725-2940

Doc # 2004155553
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Date: 12/10/2004 11:36A
Filed by: SKAMANIA COUNTY TITLE
Filed & Recorded in Official Records
of SKAMANIA COUNTY
J. MICHAEL GARVISON
AUDITOR
Fee: \$28.00

SCR 27233

**SUBORDINATION AGREEMENT
(Lien Subordination)**

Assessor's Tax Parcel ID#: 02-07-29-2-2-2600-00 and 02-07-29-2-2-2700-00
Legal Description (abbreviated): Lots C-49 and C-50, Third Addition to Plats of the Relocated Town
of North Bonneville, State of Washington
Reference Number *page 10*

THIS SUBORDINATION AGREEMENT is made and entered into as of the
1 day of November, 2004, by and among **Department of Community, Trade and Economic
Development**, a department of the State of Washington, ("Senior Lien Holder"), **Impact
Capital**, a Washington non-profit corporation ("Subordinated Lender"), and **Hamilton Park
Limited Partnership**, a Washington limited partnership ("Borrower").

WITNESSETH:

WHEREAS Subordinated Lender has heretofore loaned to Borrower Two Million
Two Hundred Sixty-Eight Thousand Five-Hundred Twenty Dollars (\$2,268,520) secured by a
deed of trust from Borrower in favor of Subordinated Lender against the real property described
on Exhibit A attached hereto (the "Property"), dated August 17, 2004, and recorded on
August 20, 2004, in the records of Skamania County, Washington, as No. 2004-154140 (the
"Subordinated Trust Deed");

WHEREAS Senior Lien Holder has provided certain funding to Borrower in
exchange for Borrower executing a Low Income Housing Covenant Agreement (the "Senior
Lien Document") which will be recorded and run against the Property; and

WHEREAS one of the conditions of Senior Lien Holder providing funding to
Borrower is the subordination of the Subordinated Liens described below to the Senior Liens
described below;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

1.1 "Subordinated Indebtedness" means all obligations of any type or nature secured by the Subordinated Liens, presently or hereafter due from Borrower to Subordinated Lender, together with all interest and other charges or expenses incidental thereto.

1.2 "Subordinated Liens" means all liens, mortgages, and security interests of any type or nature, previously or hereafter granted by Borrower to Subordinated Lender, including without limitation, liens and security interests granted in the Subordinated Trust Deed.

1.3 "Senior Liens" means all the obligations on Borrower to Senior Lien Holder in the Senior Lien Document.

Pursuant to the Revised Codes of Washington 43.185 et. seq., the Department of Community, Trade and Economic Development does not subordinate its covenants running with the land restricting the residential use of the property to very low income households for the term of the commitment.

2. Consent of Subordinated Lender. Notwithstanding any of the terms of the documents and instruments creating the Subordinated Indebtedness, the Subordinated Lender does hereby consent to the creation, , of the Senior Liens and to the execution and delivery by Borrower of any and all documents and instruments in connection therewith, including, without limitation, the Senior Lien Document, and to the performance by Borrower of any and all of its obligations under or in connection therewith. Subordinated Lender agrees that no such action shall constitute an event of default or event, which with the passage of time, will become an event of default under any document or instrument relating to the Subordinated Indebtedness or Subordinated Liens.

3. Subordination of Subordinated Liens. In consideration of Senior Lien Holder providing funding to Borrower, the Subordinated Liens are hereby subordinated to the Senior Liens; the Senior Liens shall be first, prior, and superior to the Subordinated Liens. The terms and provisions of any document creating a Subordinated Lien are hereby amended to provide that the Subordinated Liens therein granted are subordinate to the Senior Liens and that none of the terms of such documents or instruments evidencing the Subordinated Liens shall affect or limit in any way the rights or remedies under the Senior Liens.

4. Insolvency Proceedings Against Borrower. The insolvency or bankruptcy of Borrower shall not affect this Agreement, and the same shall remain in full force and effect.

5. Assignment. Subordinated Lender represents and warrants that no part of the Subordinated Indebtedness or Subordinated Liens have been assigned or transferred to or for the benefit of others. Subordinated Lender agrees not to sell, assign, transfer, or endorse the

Subordinated Indebtedness, no matter how evidenced, to anyone except subject to the terms and conditions of this Agreement. The terms of this Agreement shall bind the successors and assigns of the parties.

6. Additional Documentation. Subordinated Lender agrees to execute and deliver to Senior Lien Holder such other instruments as may reasonably be requested by Senior Lien Holder in order to enable Senior Lien Holder to enforce its rights hereunder.

7. No Liability. The parties hereto agree that Senior Lien Holder shall not be liable for any action or failure to act under or in connection with any of the documents or instruments creating the Senior Liens, it being understood that the decision of whether and when to act and the manner of proceeding under such instruments and documents shall not be affected in any manner by the existence of the Subordinated Indebtedness and the Subordinated Liens. It is further agreed that such obligations as may be imposed under the documents and instruments creating the Senior Liens or under applicable laws shall run exclusively to the benefit of Borrower and may be enforced or waived only by Borrower and not by the holders of the Subordinated Liens or Subordinated Indebtedness.

8. Miscellaneous.

8.1 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, including any party substituted as a beneficiary under the Senior Lien Document. This Agreement shall be construed and enforced in accordance with the laws of the state of Washington.

8.2 If any of the provisions or terms of this Agreement shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other of the terms hereof, and this Agreement shall be construed as if such unenforceable term had never been contained herein.

8.3 All notices and other communications hereunder shall be deemed to have been duly given, made, or served, if in writing and delivered personally or mailed by first class mail, postage prepaid, to the respective parties to this Agreement as follows:

(a) If to Borrower:

Hamilton Park Limited Partnership
312 Court Street
The Dalles, Oregon 97058

(b) If to Subordinated Lender:

Impact Capital
401 Second Avenue South, Suite 302
Seattle, Washington 98104
Attn: Terri Symbol

(c) If to Senior Lien Holder:

Washington State Department of Community,
Trade and Economic Development
Housing Trust Fund
906 Columbia Street Southwest
Post Office Box 42525
Olympia, Washington 98504-2525
Attention: Bonnie L. Scott (360) 725-2940

The designation of the person to be so notified or the address of such person for the purposes of such notice may be changed from time to time by similar notice in writing, except that any communication with respect to a change of address shall be deemed to be given and made when received by the party to whom such communication was sent. No other method of notice is precluded by this Section 10.3.

8.4 This Agreement represents the entire Agreement between the parties hereto on the subject matter hereof and, except as expressly provided herein, shall not be affected by reference to any other documents. Neither this Agreement nor any provision hereof may be changed, waived, discharged, or terminated orally, but such may be accomplished only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought.

8.5 In the event any action is filed to enforce or construe the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees.

Attorney fees shall include services rendered at both the trial and appellate levels, as well as services rendered in any bankruptcy proceeding or arbitration proceeding.

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

SUBORDINATED LENDER:

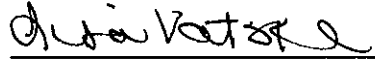
Impact Capital, a Washington nonprofit
corporation

By: Cheryl LaBorie
Title: CFO

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SENIOR LIEN HOLDER:

**Washington State Department of Community,
Trade and Economic Development**

By: 
Title: Managing Director, HSD/CCAM

BORROWER:

Hamilton Park Limited Partnership

By: Columbia Cascade Housing Corporation, an
Oregon nonprofit corporation

By: _____
Title: _____

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SENIOR LIEN HOLDER:

**Washington State Department of Community,
Trade and Economic Development**

By: _____
Title: Managing Director, HSD/CCAM

BORROWER:

Hamilton Park Limited Partnership

By: Columbia Cascade Housing Corporation, an
Oregon nonprofit corporation

By: *[Signature]*
Title: Executive Director

Unofficial Copy

STATE OF Washington)
COUNTY OF King) SS

This instrument was acknowledged before me on this 8th day of November, 2004, by Cheryl DeBoise, who is CFO of Impact Capital, on behalf of said corporation.

Maria B. Manzano
Notary Public for Washington
My commission expires:



Unofficial Copy

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

On this 3rd day of November, 2004, personally appeared before me
LISA B. VATSKE, known to me to be the Managing Director, HSD/CCAM, of the
DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT, which
executed the foregoing document on behalf of the STATE OF WASHINGTON, and
acknowledged the said document to be the free and voluntary act and deed and the free and
voluntary act and deed of said department and the State of Washington, for the uses and purposes
therein mentioned, and on oath stated that she was authorized to execute said document.

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



Pamela L. Denham
Notary Public in and for the State of Washington,
residing at Olympia


My Appointment Expires: 4-21-07

Pamela L. Denham
Print Name

STATE OF OREGON)
COUNTY OF WASCO) SS

This instrument was acknowledged before me on this 9th day of NOVEMBER 2004, by RUBY MASON, who is EXECUTIVE DIR of Columbia Cascade Housing Corporation, the general partner of Hamilton Park Limited Partnership, on behalf of said partnership.




Notary Public for 9-14-2008
My commission expires:

Unofficial Copy

EXHIBIT 'A'

Lots C-49 and C-50, Third (3rd) Addition to Plats of the Relocated Town of North Bonneville, Block 10, recorded in Book 'B' of Plats, Page 34 and 35, under Skamania County File No. 85402, Records of Skamania County, Washington.

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