

SUBORDINATION AGREEMENT

**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 INSTRUMENT.

THIS AGREEMENT, made this 12th day of July, 2004, by the **WYOMING COMMUNITY DEVELOPMENT AUTHORITY** the present owner and holder of the Mortgage and Note first hereinafter described and hereinafter referred to as "Mortgagee" and Wells Fargo Bank, National Association, the present owner and holder of the Mortgage and Note second hereinafter described and hereinafter referred to as "Lender";

WITNESSETH

That Whereas, The Courtyards at Sheridan Limited Partnership, hereinafter described as "Owner", did execute a Mortgage dated December 19, 2002, to the Wyoming Community Development Authority, covering:

Lot 1, Riverside Industrial Park Second Addition, a subdivision in Sheridan County, Wyoming, as filed in Drawer R, Plat #32, in the Office of the County Clerk of Sheridan County, Wyoming.

to secure a note in the sum of \$ 425,000.00, dated December 19, 2002, in favor of the Wyoming Community Development Authority, recorded December 26, 2002 as Instrument 428073, in Book 504 at Page 185 Official Records of Sheridan County; and,

Whereas, the mortgagors have executed a Mortgage and Note in the sum of \$ 1,625,000.00 dated August 3, 2004, in favor of Wells Fargo Bank, National Association, which is recorded as Instrument 488042, in Book 578 at Page 389 of Sheridan County, on SEPTEMBER 23, 2004 hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein; and

**WHEREAS**, it is a condition precedent to obtaining the loan that the Mortgage last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land herein-before described, prior and superior to the lien or charge of the mortgage first above mentioned; and

**WHEREAS**, Lender is willing to make the loan, provided the mortgage securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the Mortgage first above mentioned and provided that Mortgagee will specifically and unconditionally subordinate the lien or charge of the Mortgage first above mentioned to the lien or charge of the Mortgage in favor of Lender; and

**WHEREAS**, it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Mortgagee is willing that the Mortgage securing the same shall, when recorded, constitute a lien or charge upon the land which is unconditionally prior and superior to the lien or charges of the Mortgage first above mentioned.

**NOW THEREFORE**, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That the Mortgage securing the Note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the Mortgage first above mentioned.
- (2) That Lender would not make its loan above described without this Subordination Agreement.
- (3) That his/her agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the mortgage above mentioned to the lien or charge of the Mortgage in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the mortgages herein before specifically described, any prior agreement as to such subordination, including, but not limited to, those provisions, if any, contained in the mortgage first above mentioned, which provide for the subordination of the lien or charge thereof to another Mortgage or Mortgages.

Mortgagee declares, agrees and acknowledges that:

- (a) He/she intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Mortgage first above mentioned in favor of the lien or charge upon the land of the Mortgage in favor of Lender above referred to and understands that in reliance upon and in consideration of, this waiver, relinquishment and subordination specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would be made or entered into but for the reliance upon this waiver, relinquishment and subordination; and
- (b) An endorsement has been placed upon the note secured by the mortgage first above mentioned that the mortgage has by this instrument been subordinated to the lien or charge of the mortgage of Lender above referred to.

MORTGAGEE  
WYOMING COMMUNITY  
DEVELOPMENT AUTHORITY

OWNER:  
THE COURTYARDS AT SHERIDAN  
LIMITED PARTNERSHIP

BY: [Signature]  
GEORGE D. AXLUND,  
EXECUTIVE DIRECTOR

BY: [Signature]  
CALEB ROOSE  
MANAGER, ROOSE-SUN, LLC  
GP OF THE COURTYARDS AT SHERIDAN  
LIMITED PARTNERSHIP

LENDER  
WELLS FARGO BANK,  
NATIONAL ASSOCIATION  
(CORPORATE SEAL)

BY: [Signature]  
NAME: JAN WHITE  
TITLE: VICE PRESIDENT

STATE OF WYOMING )  
COUNTY OF NATRONA )

On this 10<sup>th</sup> day of Sept, 2004, before me personally appeared George D. Axlund to me personally known, who, being by me duly sworn, did say that he is the Executive Director of WYOMING COMMUNITY DEVELOPMENT AUTHORITY and that the seal affixed to the instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and said Executive Director acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notary seal this 10<sup>th</sup> day of Sept, A.D. 2004.

[Signature]  
NOTARY PUBLIC

My Commission Expires: 11/30/07



STATE OF WYOMING )

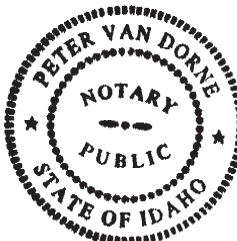
COUNTY OF ~~NATRONA~~ )

On this 17<sup>th</sup> day of SEPTEMBER, 2004, before me personally appeared CALEB ROOSE, to me personally known, who, being by me duly sworn, did say that he/she is the MANAGER of ROOSE-SUN LLC, GENERAL PARTNER OF THE COURTYARDS AT SHERIDAN LIMITED PARTNERSHIP.

Given under my hand and notary seal this 17<sup>th</sup> day of SEPTEMBER, A.D. 2004.

[Signature]  
NOTARY PUBLIC

My Commission Expires: 02/26/2005



STATE OF ~~WYOMING~~ IDAHO )

COUNTY OF FIDEL FALLS )

On this 16<sup>th</sup> day of September, 2004, before me personally appeared JAN WHITE, to me personally known, who, being by me duly sworn, did say that he/she is the VICE PRESIDENT of WELLS FARGO BANK, N.A., and that the seal affixed to the instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and said VICE PRESIDENT acknowledged said instrument to be the free act and deed of said corporation.

Given under my hand and notary seal this 16<sup>th</sup> day of September, A.D. 2004.

[Signature]  
NOTARY PUBLIC

My Commission Expires: 3-26-07

