

SUBORDINATION AGREEMENT

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

This Subordination Agreement (the "Agreement") is executed to be effective the 12th day of September, 2014, by and among the CITY OF MESQUITE, TEXAS (the "City"), COMMUNITYBANK OF TEXAS, N.A., a national banking association (the "Bank"), and VANSTON PARK INVESTMENTS, LP, a Texas limited partnership ("Borrower").

RECITALS:

A. Borrower is the owner of Villas of Vanston Park, a 155-unit housing project with related commercial space (the "Project") to be constructed in the City of Mesquite, County of Dallas, Texas on the property which is more particularly described on Exhibit "A" attached hereto and incorporated herein by reference.

B. Pursuant to a Loan Agreement (the "City Loan Agreement"), the City agreed to make a mortgage loan to the Borrower for the Project in the amount of \$1,127,400.00 (such funding is referred to herein as the "City Loan Funds"). Borrower will use the proceeds of the City Loan Funds to develop the Project as hereafter provided.

C. Pursuant to a Credit Support and Funding Agreement (the "Bank Loan Agreement") of even date herewith, the Bank has agreed to make a loan to Borrower in an aggregate amount not to exceed \$16,000,000.00 (the "Bank Loan") to partially finance the Project. The Bank Loan is evidenced by a Promissory Note ("Senior Note") dated on or about even date herewith, in the face amount of \$16,000,000.00, and is more fully described in and secured by a Multifamily Leasehold Construction and Permanent Construction Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("Senior Mortgage"), of even date with such note, and covering the Project and to be recorded in the to be recorded in the Official Public Records of Dallas County, Texas (the "Recording Office").

D. The City and the Bank wish to enter into this Agreement to fully set forth their agreement regarding the relationship of the City Loan Funds to the Bank Loan and other matters of mutual interest to the City and the Bank with respect to the disbursement of the City Loan Funds and the Bank Loan for the construction of the Project.

NOW THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby

acknowledged, the City and the Bank hereby agree as follows:

a. **DEFINITIONS.** The following terms, when used in this Agreement (including, as appropriate, when used in the above recitals), shall have the following meanings.

(i) The terms "**Condemnation**", "**Impositions**", "**Leases**", "**Rents**", "**Restoration**" and "**Transfer**", as well as any term used in this Agreement and not otherwise defined in this Agreement, shall have the meanings given to those terms in the Senior Mortgage.

(ii) "**Bankruptcy Proceeding**" means any bankruptcy, reorganization, insolvency, composition, restructuring, dissolution, liquidation, receivership, assignment for the benefit of creditors, or custodianship action or proceeding under any federal or state law with respect to the Borrower, any guarantor of any of the Senior Indebtedness, any of their respective properties, or any of their respective partners, members, officers, directors, or shareholders.

(iii) "**Borrower**" means all persons or entities identified as "Borrower" in the first paragraph of this Agreement, together with their successors and assigns, and any other person or entity who acquires title to the Land and Improvements after the date of this Agreement; provided that the term "Borrower" shall not include the Bank in the event that the Bank may acquire title to the Land and Improvements.

(iv) "**Casualty**" means the occurrence of damage to or loss of any of the Mortgaged Property by fire or other casualty.

(v) "**Enforcement Action**" means the acceleration of all or any part of the Subordinate Indebtedness, the advertising of or commencement of any foreclosure or trustee's sale proceedings, the exercise of any power of sale, the acceptance of a deed or assignment in lieu of foreclosure or sale, the collecting of Rents, the obtaining of or seeking of the appointment of a receiver, the seeking of default interest, the taking of possession or control of any of the Mortgaged Property, the commencement of any suit or other legal, administrative, or arbitration proceeding based upon the Subordinate Note or any other of the Subordinate Loan Documents, the exercising of any banker's lien or rights of set-off or recoupment, or the taking of any other enforcement action against the Borrower, any other party liable for any of the Subordinate Indebtedness or obligated under any of the Subordinate Loan Documents, or the Mortgaged Property.

(vi) "**Enforcement Action Notice**" means a written notice from the City to the Bank, given following a Subordinate Loan Default and the expiration of any notice or cure periods provided for such Subordinate Loan Default in the Subordinate Loan Documents, setting forth in reasonable detail the Enforcement Action proposed to be taken by the City.

(vii) **“Loss Proceeds”** means all monies received or to be received under any insurance policy, from any condemning authority, or from any other source, as a result of any Condemnation or Casualty.

(viii) **“Senior Indebtedness”** means all sums evidenced or secured or guaranteed by, or otherwise due and payable to the Bank pursuant to, the Senior Loan Documents.

(ix) **“Senior Loan Documents”** means the Senior Mortgage, the Senior Note or other evidence of the Bank Loan referred to in the Senior Mortgage and any replacement thereof (the **“Senior Note”**), and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Bank Loan, as the same may be amended from time to time.

(x) **“Senior Mortgage Default”** means any act, failure to act, event, condition, or occurrence which constitutes, or which with the giving of notice or the passage of time, or both, would constitute, an “Event of Default” as defined in the Senior Mortgage.

(xi) **“Subordinate Indebtedness”** means all sums evidenced or secured or guaranteed by, or otherwise due and payable to the City pursuant to, the Subordinate Loan Documents.

(xii) **“Subordinate Loan Documents”** means the City Loan Agreement, Subordinate Mortgage, the subordinate promissory note or other evidence of the Subordinate Indebtedness and any replacement thereof (the **“Subordinate Note”**), and all other documents at any time evidencing, securing, guaranteeing, or otherwise delivered in connection with the Subordinate Indebtedness, as the same may be amended from time to time.

(xiii) **“Subordinate Loan Default”** means any act, failure to act, event, condition, or occurrence which allows (but for any contrary provision of this Agreement), or which with the giving of notice or the passage of time, or both, would allow (but for any contrary provision of this Agreement), the City to take an Enforcement Action.

b. SUBORDINATION OF SUBORDINATE INDEBTEDNESS.

(i) Until the Senior Indebtedness is paid in full, the Subordinate Indebtedness is and shall continue to be subject and subordinate in right of payment to the prior payment in full of the Senior Indebtedness.

(ii) Until the occurrence of a Senior Mortgage Default, the City shall be entitled to retain for its own account all scheduled payments and prepayments made to pay the balance of the Subordinate Note down to \$684,400.00 (but not prepayments which would reduce the balance below that amount) made on account of the principal of and interest on the Subordinate Indebtedness in accordance with the requirements of the Subordinate Loan Documents; provided no such payment is made more than ten (10) days in advance of the due date thereof. However, immediately upon the City's receipt of notice or actual knowledge of a Senior Mortgage Default, the City will not accept any payments on account of the Subordinate Indebtedness, and the provisions of Section 2(c) of this Agreement shall apply. The City acknowledges that a Subordinate Loan Default constitutes a Senior Mortgage Default. Accordingly, upon the occurrence of a Subordinate Loan Default, the City shall be deemed to have actual knowledge of a Senior Mortgage Default.

(iii) If (i) the City receives any payment, property, or asset of any kind or in any form on account of the Subordinate Indebtedness (including, without limitation, any proceeds from any Enforcement Action) after a Senior Mortgage Default of which the City has actual knowledge or has been given notice, or (ii) the City receives, voluntarily or involuntarily, by operation of law or otherwise, any payment, property, or asset in or in connection with any Bankruptcy Proceeding, such payment, property, or asset will be received and held in trust for the Bank. The City will remit all such payments, properties, and assets to the Bank within a period of thirty (30) calendar days of receipt by the City. If the thirtieth (30th) calendar day falls on a Saturday or Sunday or on an official holiday observed by the City, the period is extended to the next business day. The Bank shall apply any payment, asset, or property so received from the City to the Senior Indebtedness in such order, amount (with respect to any asset or property other than immediately available funds), and manner as the Bank shall determine in its sole and reasonable discretion.

(iv) Without limiting the complete subordination of the Subordinate Indebtedness to the payment in full of the Senior Indebtedness, in any Bankruptcy Proceeding, upon any payment or distribution (whether in cash, property, securities, or otherwise) to creditors (i) the Senior Indebtedness shall first be paid in full in cash before the City shall be entitled to receive any payment or other distribution on account of or in respect of the Subordinate Indebtedness, and (ii) until all of the Senior Indebtedness is paid in full in cash, any payment or distribution to which the City would be entitled but for this Agreement (whether in cash, property, or other assets) shall be made to the Bank to the extent allowed by law.

(v) The subordination of the Subordinate Indebtedness shall continue in the event that any payment under the Senior Loan Documents (whether by or on behalf of the Borrower, as proceeds of security or enforcement of any right of set-off or otherwise) is for any reason repaid or returned to the Borrower or its insolvent estate, or avoided, set aside or required to be paid to the Borrower, a trustee, receiver or other similar party under any bankruptcy, insolvency, receivership or similar law. In such event, the Senior Indebtedness or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding to the extent of any repayment, return, or other action, as if such payment on account of the Senior Indebtedness had not been made.

c. SUBORDINATION OF SUBORDINATE LOAN DOCUMENTS.

(i) Until the Senior Indebtedness is paid in full, the Subordinate Liens and each of the Subordinate Loan Documents are subject and subordinate in all respects to the liens, terms, covenants, conditions, operations, and effects of the Senior Mortgage and each of the other Senior Loan Documents.

(ii) The subordination of the Subordinate Liens, the Subordinate Loan Documents and of the Subordinate Indebtedness shall apply and continue until the Senior Indebtedness has been paid in full notwithstanding (i) the actual date and time of execution, delivery, recording, filing or perfection of the Senior Mortgage and other Senior Loan Documents and of the Subordinate Mortgage, and other Subordinate Loan Documents, and (ii) the availability of any collateral to the Bank, including the Subordinate Liens and the availability of any collateral other than the Mortgaged Property.

(iii) By reason of, and without in any way limiting, the full subordination of the Subordinate Indebtedness and the Subordinate Loan Documents provided for in this Agreement, all rights and claims of the City under and with respect to the Subordinate Liens, or under the other Subordinate Loan Documents in or to the Mortgaged Property or any portion thereof, the proceeds thereof, the Leases thereof, the Rents, issues and profits therefrom, and the Loss Proceeds payable with respect thereto, are expressly subject and subordinate in all respects to the rights and claims of the Bank under the Senior Loan Documents in and to the Mortgaged Property or any portion thereof, the proceeds thereof, the Leases thereof, the Rents, issues and profits therefrom, and the Loss Proceeds payable with respect thereto.

(iv) If the City, by indemnification, subrogation or otherwise, shall acquire any lien, estate, right or other interest in any of the Mortgaged Property, that lien, estate, right or other interest shall be fully subject and subordinate to the receipt by the Bank of payment in full of the Senior Indebtedness, and to the Senior Loan Documents, to the same extent as the Subordinate Indebtedness and the Subordinate Loan Documents are subordinate pursuant to this Agreement (other than any ad valorem tax liens affecting the Property which shall be a superior lien).

d. ADDITIONAL REPRESENTATIONS AND COVENANTS.

(i) The City represents and warrants that (i) the City is now the owner and holder of the Subordinate Loan Documents; (ii) the Subordinate Loan Documents are now in full force and effect; (iii) the Subordinate Loan Documents have not been modified or amended; (iv) no Subordinate Loan Default has occurred, (v) the current committed balance of the Subordinate Indebtedness is \$1,127,400.00; (vi) no scheduled monthly payments under the Subordinate Note have been or will be prepaid; and (vii) none of the rights of the City under any of the Subordinate Loan Documents are subject to the rights of any third parties, by way of subrogation, indemnification or otherwise.

(ii) Without the prior written consent of the Bank in each instance, the City shall not, if and to the extent allowed by law, (i) amend, modify, waive, extend, renew or replace any provision of any of the Subordinate Loan Documents, or (ii) pledge, assign, transfer, convey, or sell any interest in the Subordinate Indebtedness or any of the Subordinate Loan Documents; or (iii) accept any payment on account of the Subordinate Indebtedness other than a regularly scheduled payment of interest or principal and interest made not earlier than ten (10) days prior to the due date thereof or as expressly authorized in Section 4(i); or (iv) take any action which has the effect of increasing the Subordinate Indebtedness, or (v) unless permitted by applicable law, take any action concerning environmental matters affecting the Mortgaged Property.

(iii) The City shall deliver to the Bank a copy of each notice relating to a Subordinate Loan Default delivered by the City pursuant to the Subordinate Loan Documents, the Restrictive Covenant or in connection with the Subordinate Indebtedness, simultaneously with the City's delivery of such notice. The Bank shall deliver to the City a copy of each notice of a Senior Mortgage Default delivered by the Bank, simultaneously with the Bank's delivery of such notice. Neither giving nor failing to give a notice to the Bank or City pursuant to this Section 4(c) shall affect the validity of any notice given by the Bank or City to the Borrower, as between the Borrower and such of the Bank or the City as provided the notice to the Borrower.

(iv) Without the prior written consent of the Bank in each instance, the City will not commence, or join with any other creditor in commencing, any Bankruptcy Proceeding. In the event of a Bankruptcy Proceeding, the City shall not vote affirmatively in favor of any plan of reorganization or liquidation unless the Bank has also voted affirmatively in favor of such plan to the extent allowed by law. In the event of any Bankruptcy Proceeding, the City shall not contest the continued accrual of interest on the Senior Indebtedness, in accordance with and at the rates specified in the Senior Loan Documents, both for periods before and for periods after the commencement of such Bankruptcy Proceedings.

(v) Bank shall have all approval, consent and oversight rights in connection with any insurance claims relating to the Property, any decisions regarding the use of insurance proceeds after a casualty loss or condemnation awards, the hiring or firing of

property managers, or otherwise related in any way to the Property, and City shall have no right to object to any such action or approval taken by Bank and shall consent thereto and be bound thereby to the extent allowed by law.

(vi) All original policies of insurance required pursuant to the Senior Loan Documents shall be held by the Bank. Nothing in this Section 4(f) shall preclude the City from requiring that it be named as a mortgagee and loss payee, as its interest may appear, under all policies of property damage insurance maintained by the Borrower with respect to the Mortgaged Property, provided such action does not affect the priority of payment of Proceeds, or that the City be named as an additional insured under all policies of liability insurance maintained by the Borrower with respect to the Mortgaged Property.

(vii) In the event of a Condemnation or a Casualty, the following provisions shall apply:

1) the rights of the City (under the Subordinate Loan Documents or otherwise) to participate in any proceeding or action relating to a Condemnation or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Condemnation or a Casualty, shall be and remain subordinate in all respects to the Bank's rights under the Senior Loan Documents with respect thereto, and the City shall be bound by any settlement or adjustment of a claim resulting from a Condemnation or a Casualty made by the Bank;

2) all Loss Proceeds shall be applied either to payment of the costs and expenses of Restoration or to payment on account of the Senior Indebtedness, as and in the manner determined by the Bank in its sole discretion;

3) in the event the Bank applies or releases Loss Proceeds for the purposes of Restoration of the Mortgaged Property, the City shall release for such purpose all of its right, title and interest, if any, in and to such Loss Proceeds. If the Bank holds Loss Proceeds, or monitors the disbursement thereof, the City shall not do so. Nothing contained in this Agreement shall be deemed to require the Bank to act for or on behalf of the City in connection with any Restoration or to hold or monitor any Loss Proceeds in trust for or otherwise on behalf of the City, and all or any Loss Proceeds may be commingled with any funds of the Bank; and

4) if the Bank elects to apply Loss Proceeds to payment on account of the Senior Indebtedness, and if the application of such Loss Proceeds results in the payment in full of the entire Senior Indebtedness, any remaining Loss Proceeds held by the Bank shall be paid to the City unless another party has a valid and legally substantiated claim to the remaining Loss Proceeds.

(viii) Except as provided in this Section 4(i), and regardless of any contrary provision in the Subordinate Loan Documents, the City shall not collect payments for the

purpose of escrowing for any cost or expense related to the Mortgaged Property or for any portion of the Subordinate Indebtedness. However, if the Bank is not collecting escrow payments for one or more Impositions, the City has the right, but not the obligation, to collect escrow payments for such Impositions; provided that all payments so collected by the City shall be held in trust by the City to be applied only to the payment of such Impositions.

(ix) Within ten (10) days after request by the Bank, the City shall furnish the Bank with a statement, duly acknowledged and certified setting forth the then-current amount and terms of the Subordinate Indebtedness, that there exists no default under the Subordinate Loan Documents or the Restrictive Covenant (or describing any default that does exist), and such other information with respect to the Subordinate Indebtedness as the Bank may request.

(x) The Bank may waive, postpone, extend, reduce or otherwise modify any provisions of the Senior Loan Documents without the necessity of obtaining the consent of the City, and without affecting any of the provisions of this Agreement; provided that such modifications do not have a material adverse effect on the Subordinate Mortgage. Notwithstanding the forgoing, Bank may not modify any provisions of the Senior Loan Documents that increases the Senior Indebtedness, except for increases in the Senior Indebtedness that result from advances made by Bank to protect the security or lien priority of Bank under the Senior Loan Documents or to cure defaults under the Subordinate Loan Documents.

c. DEFAULT UNDER LOAN DOCUMENTS.

(i) For a period of ninety (90) days following delivery of an Enforcement Action Notice given by the City as a consequence of the Subordinate Loan Default, the Bank shall have the right to cure any Subordinate Loan Default, provided if such Subordinate Loan Default is not capable of being cured within such ninety (90) day period and Bank has commenced and is diligently pursuing such cure to completion, such additional period of time as may be required to cure such Subordinate Loan Default or until such time, if ever, as the Bank's delivery to the City of written consent to an Enforcement Action described in an Enforcement Action Notice given by the City as a consequence of the Subordinate Loan Default. The Bank shall not have any obligation whatsoever to cure any Subordinate Loan Default. The Bank shall not be subrogated to the rights of the City under the Subordinate Loan Documents by reason of the Bank having cured any Subordinate Loan Default. However, the City acknowledges that all amounts advanced or expended by the Bank in accordance with the Senior Loan Documents to cure a Subordinate Loan Default shall be added to and become a part of the Senior Indebtedness under the Senior Mortgage and shall be secured by the lien of the Senior Mortgage.

(ii) In each case where the Bank has given notice to the Borrower of a Senior Mortgage Default, the Bank shall deliver a copy of each notice simultaneously to the

City. Failure of the Bank to send notice to the City shall not prevent the exercise of the Bank's rights and remedies under the Senior Loan Documents, subject to the provisions of this Agreement. The City shall have the right, but not the obligation, to cure any such Senior Mortgage Default within thirty (30) days following the date of such notice; provided, however, that the Bank shall be entitled during such 30-day period to continue to pursue its remedies under the Senior Loan Documents. City may have up to ninety (90) days from the date of the notice to cure a non-monetary default if during such 90-day period City keeps current all payments required by the Senior Loan Documents. In the event that such a non-monetary default creates an unacceptable level of risk relative to the Mortgaged Property, or Bank's secured position relative to the Mortgaged Property, as determined by Bank in its sole discretion, then Bank may exercise during such 90-day period all available rights and remedies to protect and preserve the Mortgaged Property and the rents, revenues and other proceeds from the Mortgaged Property. All amounts paid by the City to the Bank to cure a Senior Mortgage Default shall be deemed to have been advanced by the City pursuant to, and shall be secured by the lien of, the Subordinate Mortgage.

(iii) In the event of a Subordinate Loan Default, the City will not commence any Enforcement Action until after the expiration of a period of ninety (90) days after the City has given the Bank an Enforcement Action Notice with respect to such Enforcement Action. The City may not commence any Enforcement Action until the delivery by Bank to the City of the Bank's written consent to such Enforcement Action by the City. The Bank shall advise the City whether or not the Bank consents to the Enforcement Action by the City within ninety (90) days following the Bank's receipt of the Enforcement Action Notice (failure of the Bank to provide written consent to the Enforcement Action within such 90-day period constitutes the Bank's refusal of such consent). The City acknowledges that the Bank may grant or refuse consent to the City's Enforcement Action in the Bank's sole and absolute discretion, and that such discretion may be exercised in an arbitrary manner. Any Enforcement Action on the part of the City, specifically excluding any administrative enforcement actions pursuant to the Subordinate Loan Documents, shall be subject to the provisions of this Agreement.

(iv) The Bank may pursue all rights and remedies available to it under the Senior Loan Documents, at law, or in equity, regardless of any Enforcement Action Notice or Enforcement Action by the City. No action or failure to act on the part of the Bank in the event of a Subordinate Loan Default or commencement of an Enforcement Action shall constitute a waiver on the part of the Bank of any provision of the Senior Loan Documents or this Agreement.

(v) In the event that an Enforcement Action taken by the City is the appointment of a receiver for any of the Mortgaged Property, all of the rents, issues, profits and proceeds collected by the receiver shall be paid and applied by the receiver solely to and for the benefit of the Bank until the Senior Indebtedness shall have been paid in full.

(vi) The City hereby expressly consents to and authorizes the release by the Bank of all or any portion of the Mortgaged Property from the lien, operation, and effect of the Senior Loan Documents. The City hereby waives to the fullest extent permitted by law, all equitable or other rights it may have (i) in connection with any release of any portion of the Mortgaged Property, (ii) to require the separate sales of any portion of the Mortgaged Property or to require the Bank to exhaust its remedies against any portion of the Mortgaged Property or any combination of portions of the Mortgaged Property or any other collateral for the Senior Indebtedness, or (iii) to require the Bank to proceed against the Borrower, any other party that may be liable for any of the Senior Indebtedness (including any general partner of the Borrower if the Borrower is a partnership), any portion of the Mortgaged Property or combination of portions of the Mortgaged Property, or any other collateral, before proceeding against all or such portions or combination of portions of the Mortgaged Property as the Bank determines. The City hereby expressly consents to and authorizes, at the option of the Bank, the sale, either separately or together, of all or any portion of the Mortgaged Property. The City acknowledges that without notice to the City and without affecting any of the provisions of this Agreement, the Bank may (i) extend the time for or waive any payment or performance under the Senior Loan Documents; (ii) modify or amend in any respect any provision of the Senior Loan Documents; and (iii) modify, exchange, surrender, release and otherwise deal with any additional collateral for the Senior Indebtedness.

f. MODIFICATION OR REFINANCING OF SENIOR INDEBTEDNESS.

The City consents to any agreement or arrangement in which the Bank waives, postpones, extends, reduces or modifies any provisions of the Senior Loan Documents, including any provision requiring the payment of money. City further agrees that its agreement to subordinate hereunder shall extend to any new mortgage debt which is for the purpose of refinancing all or any part of the Senior Indebtedness (including reasonable and necessary costs associated with the closing and/or the refinancing); and that all the terms and covenants of this Agreement shall inure to the benefit of any holder of any such refinanced debt; and that all references to the Senior Indebtedness, the Senior Mortgage, the Senior Loan Documents and Bank shall mean, respectively, the refinance loan, the refinance note, the mortgage securing the refinance note, all documents evidencing securing or otherwise pertaining to the refinance note and the holder of the refinance note.

g. MISCELLANEOUS PROVISIONS

(i) In the event of any conflict or inconsistency between the terms of the Subordinate Loan Documents and the terms of this Agreement, the terms of this Agreement shall control.

(ii) This Agreement shall be binding upon and shall inure to the benefit of the respective legal successors and assigns of the parties hereto.

(iii) This Agreement does not constitute an approval by the Bank of the terms of the Subordinate Loan Documents.

(iv) Each notice, request, demand, consent, approval or other communication (collectively, "notices", and singly, a "notice") which is required or permitted to be given pursuant to this Agreement, including, but not limited to any notice relating to a Subordinate Loan Default, but specifically excluding compliance monitoring notices and administrative enforcement action notices pursuant to the Subordinate Loan Documents, shall be in writing and shall be deemed to have been duly and sufficiently given if (i) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered), or (ii) sent by a national overnight courier service (such as FedEx) designating earliest available delivery (any notice so delivered shall be deemed to have been received on the next business day following receipt by the courier), or (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received three (3) days after it has been deposited in the United States Mail), addressed to the respective parties as follows:

1) Notices intended for the Bank shall be addressed to the address set forth in the Senior Mortgage for notices to the Bank.

2) Notices intended for the City shall be addressed to:

City of Mesquite
Attn: City Manager
P.O. Box 850137
Mesquite, Texas 75185-0137

With copies to:

City Attorney
P. O. Box 850137
Mesquite, Texas 75185-0137

Director of Community Development
P.O. Box 850137
Mesquite, Texas 75185-0137

With a copy to:

CommunityBank of Texas, N.A.
5999 Delaware
Beaumont, Texas 77706-7607

With a copy to Borrower:

Vanston Park Investments, LP
3030 LBJ Freeway, Suite 1350
Dallas, Texas 75234

Any party, by notice given pursuant to this Section, may change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses, for its notices, but notice of a change of address shall only be effective upon receipt. Neither party shall refuse or reject delivery of any notice given in accordance with this Section.

(v) Nothing herein or in any of the Senior Loan Documents or Subordinate Loan Documents shall be deemed to constitute the Bank as a joint venturer or partner of the City.

(vi) Upon notice from the Bank from time to time, the City shall execute and deliver such additional Instruments and documents, and shall take such actions, as are required by the Bank in order to further evidence or effectuate the provisions and intent of this Agreement.

(vii) This Agreement shall be governed by the laws of the State of Texas and the venue shall be in Dallas County, Texas.

(viii) If any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein, and any other application thereof, shall not in any way be affected or impaired thereby.

(ix) The term of this Agreement shall commence on the date hereof and shall continue until the earliest to occur of the following events: (i) the payment of all of the Senior Indebtedness; provided that this Agreement shall be reinstated in the event any payment on account of the Senior Indebtedness is avoided, set aside, rescinded or repaid by the Bank as described in Section 2(e) hereof; (ii) the payment of all of the Subordinate Indebtedness other than by reason of payments which the City is obligated to remit to the Bank pursuant to this Agreement; (iii) the acquisition by the Bank or by a third party purchaser, of title to the Land and Improvements pursuant to a foreclosure of, or trustee's sale or other exercise of a power of sale under, the Senior Mortgage; or (iv) without limiting the provisions of Section 5(d), the acquisition by the City, with the prior written consent of the Bank, of title to the Land and Improvements subject to the Senior Mortgage pursuant to a foreclosure, or a deed in lieu of foreclosure, of (or the exercise of a power of sale under) the Subordinate Mortgage.

(x) No failure or delay on the part of any party hereto in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or

partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder.

(xi) Each party hereto acknowledges that in the event any party fails to comply with its obligations hereunder, the other parties shall have all rights available at law and in equity, including the right to obtain specific performance of the obligations of such defaulting party and injunctive relief.

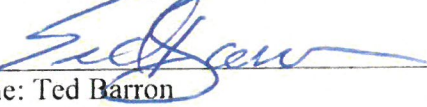
(xii) No party other than the Bank and the City shall have any rights under, or be deemed a beneficiary of any of the provisions of this Agreement.

(xiii) No amendment, supplement, modification, waiver or termination of this Agreement shall be effective against any party unless such amendment, supplement, modification, waiver or termination is contained in a writing signed by such party.

(xiv) This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

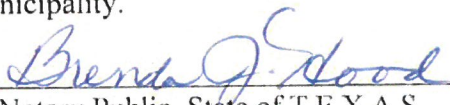
IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto to be effective as of the date first above written.

CITY OF MESQUITE, TEXAS

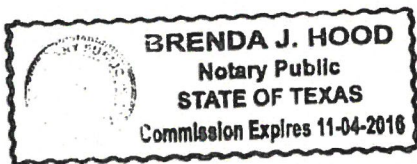
By: 
Name: Ted Barron
Title: City Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this 12th day of September, 2014, by Ted Barron, City Manager of CITY OF MESQUITE, TEXAS, a Texas home rule municipality, on behalf of said home rule municipality.


Notary Public, State of TEXAS

[SEAL]



COMMUNITYBANK OF TEXAS, N.A., a national
banking association

By: _____

Mahesh S. Ayer
Mahesh S. Ayer,
Executive Vice President

THE STATE OF TEXAS §

COUNTY OF Harris §

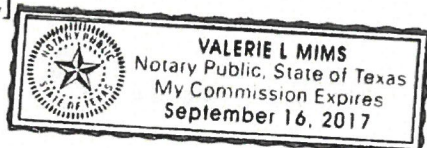
KNOW ALL MEN BY THESE PRESENTS

This instrument was acknowledged before me on this 11th day of September,
2014, by Mahesh S. Ayer, Executive Vice President of COMMUNITYBANK OF TEXAS,
N.A., a national banking association, on behalf of said banking association.

Valerie L. Mims

Notary Public, State of TEXAS

[SEAL]



SIGNATURE PAGE SUBORDINATION AGREEMENT

VANSTON PARK INVESTMENTS, LP, a Texas
limited partnership

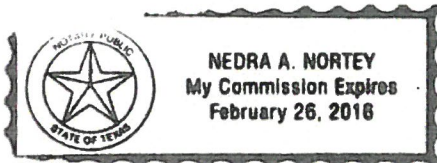
By: Vanston Villas Development, LLC, a Texas
limited liability company, its general partner

By: Joseph Agumadu
Joseph Agumadu, Manager

STATE OF TEXAS §
 §
COUNTY OF Dallas §

BEFORE ME, the undersigned authority, on this day personal appeared Joseph Agumadu, Manager of Vanston Villas Development, LLC, a Texas limited liability company, on behalf of said limited liability company, general partner of VANSTON PARK INVESTMENTS, LP, a Texas limited partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 9th day of September, 2014.



Nedra A. Northey
Notary Public, State of Texas

SIGNATURE PAGE TO SUBORDINATION AGREEMENT

EXHIBIT "A"

Being a tract of land situated in the T. Thomas Survey, Abstract No. 1461, in the City of Mesquite, Dallas County, Texas, being a portion of that same tract of land described to Ann Galloway Rorie, the Ann Galloway Rorie Trust, Glenn Galloway, and the Bedford Glenn Galloway Trust by deed recorded in Volume 99189, Page 715, Deed Records, Dallas County, Texas, SAVE & EXCEPT those tracts described to the City of Mesquite by deed recorded in Volume 5493, Page 507, Deed Records, Dallas County, Texas, and being part of the property sub-leased to Taco Bell by Broadway Square, Inc., and being part of the property sub-leased to Southwestern Bell Telephone Company by Broadway Square, Inc., and the remainder being more particularly described by metes and bounds as follows:

Beginning at a cupped 1/2 inch iron rod found for corner with a yellow cap stamped "TXIIS" (CIRF) at the intersection of the West right-of-way line of Forrest Drive (50 foot right-of-way) and the North right-of-way line of Oates Drive (100 foot right-of-way);

THENCE South 44° 43' 00" West, along the North right-of-way line of said Oates Drive, a distance of 147.01 feet to a CIRF, said point being the most easterly South corner of a tract of land as described to Southwestern Bell Telephone Company in Volume 4044, Page 233, Deed Records, Dallas County, Texas;

THENCE North 45° 17' 00" West, departing the North right-of-way line of said Oates Drive along the East line of said Southwestern Bell Telephone Company tract, a distance of 280.00 feet to a capped 5/8 inch iron rod set with a yellow cap stamped 'ADAMS SURVEY RPLS S610" (CIRS) for corner, said point being the most easterly North corner of said Southwestern Bell Telephone Company tract;

THENCE South 44° 43' 00" West, along the North line of said Southwestern Bell Telephone Company tract, passing at a distance of 150.00 feet an "X" cut found, said point being the most westerly North corner of Southwestern Bell Telephone Company tract and being in the East line of Lot 7R, Block 1, Broadway Square Addition as described in Volume 96243, Page 1028, Map Records, Dallas County, Texas, for a total distance of 271.04 feet to a CIRS for corner in the East right-of-way line of Gus Thomasson Road (120 foot right-of-way);

THENCE North 45° 11' 00" West, along the East right-of-way line of said Gus Thomasson Road, a distance of 269.46 feet to a CIRF, said point being the most westerly North corner of the herein described tract;

THENCE North 44° 44' 00" East, departing the East right-of-way line of said Gus Thomasson Road, a distance of 153.70 feet to a CIRF for corner;

THENCE North 44° 27' 41" West, a distance of 40.48 feet to a CIRF for corner;

THENCE North 44° 56' 20" East, a distance of 265.18 feet to a CIRF in the West right-of-way line of said Forrest Drive, said point being the most easterly North corner of the herein described tract;

THENCE South 45° 06' 00" East, along the West right-of-way line of said Forrest Drive, a distance of 588.87 feet to the POINT OF BEGINNING and containing 164,823 square feet or 3.78 acres, more or less.