

Return to: Big Sky Community Housing Trust  
PO Box 160164  
Big Sky, MT 59716

### SUBORDINATION AGREEMENT

**THIS SUBORDINATION AGREEMENT** (the "Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the "Effective Date") by **Big Sky Community Housing Trust**, a Montana nonprofit corporation with a IRC 501(c)3 designation, whose mailing address of PO Box 160164, Big Sky, MT 59716 ("BSCHT") for the benefit of \_\_\_\_\_, a financial institution with an address of \_\_\_\_\_ ("Lender").

### RECITALS

**WHEREAS**, \_\_\_\_\_, the owners of the Property (as defined below) (the "Owner"), and BSCHT entered into a Deed Restriction dated \_\_\_\_\_, 20\_\_\_\_, recorded an even day herewith under Recording No. \_\_\_\_\_ of the records of the Clerk and Recorder of \_\_\_\_\_ County, Montana, as amended (the "Deed Restriction") which burdens the real property located at \_\_\_\_\_, as more specifically described in **Exhibit A** (the "Property"). The Deed Restriction was made by Owner in favor of BSCHT, and its assigns and successors, for the purposes of restricting the use of the Property as provided for in the Deed Restriction;

**WHEREAS**, the Owner has requested Lender to issue a loan (the "Loan"), which is to be secured by a \_\_\_\_\_ encumbering the Property (the "Loan Security Documents"); and

**WHEREAS**, BSCHT is willing to subordinate the Deed Restriction to the Loan, and the Loan Security Documents under the terms of this Agreement.

**NOW, THEREFORE**, BSCHT agrees as follows:

1. **Recitals.** The Recitals set forth above are incorporated into this Agreement as if they were set forth herein.
2. **Subordination.** BSCHT unconditionally subordinates all of its rights and interest in the Property under the Deed Restriction to the Loan and the Loan Security Documents. BSCHT agrees that all of its rights and interests in the title to the Property resulting from the Deed Restriction will

remain subordinate to all of Lender's rights and interests in the title to the Property resulting from the Loan and the Loan Security Documents regardless of any renewal, extension, or further modification of the Deed Restriction. Notwithstanding the above, it is the intent of BSCHT that the Deed Restriction will survive any foreclosure and subsequent sale of the Property by Lender or its trustee either judicially or nonjudicially. Therefore, BSCHT does not agree to any release or termination of the Deed Restriction if the Lender forecloses on Loan.

3. **Miscellaneous.**

- a. **Modification.** This Agreement may only be modified with the written consent of the Lender.
- b. **Severability.** If any provision of this Agreement is determined to be void by a court of competent jurisdiction, such determination shall not affect any other provision hereof, and all of the other provisions shall remain in full force and effect.
- c. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Montana, and any legal action concerning the provisions hereof shall be brought in \_\_\_\_\_ County, Montana.
- d. **Agreement Binding Assignment.** This Agreement, and the terms, covenants, and conditions herein contained, shall inure to the benefit of and be binding upon the heirs, personal representatives, successors, and assigns of BSCHT
- e. **Third Parties.** There are no intended third-party beneficiaries to this Agreement.
- f. **Notice.** Any notice under this Agreement shall be in writing and shall be deemed sufficient when directly presented or sent pre-paid, first-class United States Mail to the Party at the address set forth on the first page of this Agreement.
- g. **Recording.** This Agreement shall be recorded with the \_\_\_\_\_ County Clerk and Recorder at the same time the Deed Restriction is recorded.

IN WITNESS WHEREOF, BSCHT has executed this Agreement as of the Effective Date.

**[Signatures on following page]**

**BIG SKY COMMUNITY HOUSING TRUST**  
a Montana nonprofit corporation

By: \_\_\_\_\_  
Printed Name: David O'Connor  
Title: Executive Director

STATE OF MONTANA            )  
  :SS  
County of \_\_\_\_\_        )

This instrument was signed or acknowledged before me on \_\_\_\_\_,  
202\_\_, by David O'Connor, the Executive Director of Big Sky Community Housing Trust.

WITNESS my hand and official seal.

\_\_\_\_\_  
NOTARY PUBLIC FOR THE STATE OF MONTANA

**EXHIBIT A**

## LEGAL DESCRIPTION