

This instrument prepared by:  
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Colonial Brookwood Center  
569 Brookwood Village, Suite 901  
Birmingham, Alabama 35209  
(205) 458-9400

STATE OF ALABAMA )

COUNTY OF SHELBY )

**SUBORDINATION AND ATTORNMENT AGREEMENT**

**THIS SUBORDINATION AND ATTORNMENT AGREEMENT** (this “**Agreement**”) is made as of this the 2<sup>nd</sup> day of March, 2012, by and among **VOP 2, LLC**, an Alabama limited liability company, with an address of 2270 Valleydale Road, Suite 200, Birmingham, Alabama 35244 (“**Owner**”), **PARADE HOME BUILDERS, INC.**, an Alabama corporation, with an address of 2200 Valleydale Road, Suite 200, Birmingham, Alabama 35244 (“**Lessee**”), and **OAKWORTH CAPITAL BANK**, an Alabama licensed state banking corporation, with an address of 2100A Southbridge Parkway, Suite 445, Birmingham, Alabama 35209 (together with its successors or assigns, “**Bank**”).

**RECITALS:**

Owner and Lessee are parties to that certain Lease Agreement dated as of even date herewith (as amended and assigned, the “**Lease**”), pursuant to which Lessee leases from Owner certain real property located in Shelby County, Alabama, as more particularly described in Exhibit “A” attached hereto and incorporated herein (the “**Property**”).

Owner is borrowing the sum of \$1,600,000.00 from Bank (as amended, extended, restated, modified, renewed, or refinanced, collectively, the “**Loan**”), pursuant to that certain Construction Loan Agreement by and between Bank and Owner of even date herewith (the “**Loan Agreement**”; capitalized terms used herein and not otherwise defined shall have the meanings ascribed in the Loan Agreement), as evidenced by that certain Promissory Note from Owner to Bank of even date herewith (as amended, extended, restated, modified, renewed or refinanced, collectively, the “**Note**”), and secured by, among other things, that certain Future Advance Mortgage, Assignment of Rents and Leases, and Security Agreement of even date herewith granting Bank a first priority mortgage lien on the real property that encompasses the Property (the “**Mortgage**”). The Loan Agreement, the Note, the Mortgage, and the other documents, certificates, instruments, and agreements executed by Owner, Lessee, or others in connection with the Loan or to otherwise evidence or secure the Loan, and all renewals, supplements, or amendments thereto or a part thereof, are collectively referred to as the “**Loan Documents**.”

Lessee and Bank desire to confirm their understanding with respect to the Lease and the Loan Documents, and to have Owner confirm its agreement therewith.



## AGREEMENT:

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Shelby Cnty Judge of Probate, AL  
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In consideration of the covenants, terms, conditions, and agreements contained herein, the parties hereto agree as follows:

1. The Lease and any extensions, modifications, or renewals thereof, including, but not limited to, any option to purchase or right of first refusal to purchase the Property or any portion thereof, if any, is and shall continue to be subject and subordinate in all respects to the Loan Documents and the liens and security interests created thereby.

2. Lessee agrees to deliver to Bank, in the manner set forth below, a copy of any notice of default sent to Owner by Lessee. If Owner fails to cure such default within the time provided in the Lease, Bank shall have the right, but not the obligation, to cure such default on behalf of Owner within thirty (30) calendar days after the time provided for Owner to cure such default in the Lease has expired or, if such default is curable but cannot be cured within that time, within a reasonable period provided Bank is proceeding with due diligence to cure such default. In such event, Lessee shall not terminate the Lease while such remedies are being diligently pursued by Bank. Further, Lessee shall not terminate the Lease on the basis of any default by Owner that is incurable by Bank (such as, for example, the bankruptcy of Owner or breach of any representation by Owner), provided Bank is proceeding with due diligence to commence an action to appoint a receiver or to obtain the right to possession of the Property by foreclosure, deed in lieu of foreclosure, or otherwise (each of the foregoing, a "**Foreclosure**"). Lessee hereby agrees that no action taken by Bank to enforce any rights under the Loan Documents by reason of any Default thereunder (including, without limitation, the appointment of a receiver, any Foreclosure or any demand for rent under any assignment of rents or leases) shall give rise to any right of Lessee to terminate the Lease, nor shall such action invalidate or constitute a breach of any of the terms of the Lease.

3. If Lender or its nominee or designee, or another purchaser of the Property upon a Foreclosure (Lender or any such person or entity, a "**Successor Owner**") succeeds to the interest of Owner under the Lease, such Successor Owner may, in its sole discretion, elect to (a) terminate the Lease, or (b) continue the Lease. Should Successor Owner elect to continue the Lease, Successor Owner shall recognize the Lease and Lessee's rights thereunder, and Lessee shall make full and complete attornment to Successor Owner as substitute Owner upon the same terms, covenants and conditions as provided in the Lease, including, but not limited to, any option to purchase or right of first refusal to purchase the Property as may be provided in the Lease. Lessee agrees that any such option or right of first refusal to purchase the Property or any portion thereof, as may be provided in the Lease shall not apply to and shall not in any way impair or delay any Foreclosure.

4. Lessee agrees that, if Successor Owner shall succeed to the interest of Owner under the Lease, Successor Owner shall not be:

(a) liable for any prior act or omission of Owner or any prior Owner or consequential damages arising therefrom;



(b) subject to any offsets or defenses which Lessee might have as to Owner or any prior Owner;

(c) required or obligated to credit Lessee with any rent or additional rent for any rental period beyond the then current month which Lessee might have paid Owner; or

(d) bound by any amendments or modifications of the Lease made without Bank's or Successor Owner's prior express written consent;

(e) liable for the refund of all or any part of any security deposit unless such security deposit shall have been actually received by Bank and designated as a security deposit when transmitted to Bank.

5. Lessee agrees that, without the prior express written consent of Bank in its sole discretion in each case, Lessee shall not (a) amend, modify, terminate, or cancel the Lease or any extensions or renewals thereof, or tender a surrender of the Lease (except in each case that, upon a default by Owner under the Lease, Lessee may exercise its rights under the Lease after giving to Bank the notice and cure period required by this Agreement), (b) make a prepayment of any rent or additional rent more than one (1) month in advance of the due date thereof, or (c) subordinate or permit the subordination of the Lease to any lien or security interest subordinate to the Loan Documents. Any such purported action made without Bank's prior express written consent shall be void as against Bank or the holder of the Loan Documents.

6. To the extent that the Lease shall entitle Lessee to notice of the existence of any of the Loan Documents and the identity of any mortgagee or any ground lessor, this Agreement shall constitute such notice to Lessee with respect to the Loan Documents and Bank.

7. Upon and after the occurrence of a Default under the Loan Documents that is not cured after any applicable notice and/or cure periods, Bank shall be entitled, but not obligated, to require that Lessee pay all rent, additional rents, escrows, and impounds under the Lease as directed by Bank, which payment shall, to the extent made, satisfy such payment obligations of Lessee under the Lease. Owner agrees to hold Lessee harmless with respect to any such payments made by Lessee to Bank.

8. Nothing in this Agreement shall impose upon Bank any liability for the obligations of Owner under the Lease unless and until Bank takes title to the Property at which time Bank shall be responsible only for ongoing obligations arising after the date such Successor Owner takes title and possession of the Property. Anything herein or in the Lease to the contrary notwithstanding, in the event that a Successor Owner shall acquire title to the Property, Successor Owner shall have no obligation, nor incur any liability, beyond Successor Owner's then interest, if any, in the Property, and Lessee shall look exclusively to such interest, if any, of Successor Owner in the Property for the payment and discharge of any obligations imposed upon Successor Owner hereunder or under the Lease, and Successor Owner is hereby released or relieved of any other liability hereunder and under the Lease. Lessee agrees that, with respect to any money judgment which may be obtained or secured by Lessee against Successor Owner, Lessee shall look solely to the estate or interest owned by Successor Owner in the Property, and



Lessee will not collect or attempt to collect any such judgment out of any other assets of Successor Owner.

9. Except as specifically provided in this Agreement, Bank shall not, by virtue of this Agreement, the Mortgage, or any other instrument to which Bank may be party, be or become subject to any liability or obligation to Lessee under the Lease or otherwise.

10. The provisions of the Agreement shall be binding upon and insure to the benefit of the parties hereto and their respective successors and assigns. The words "Bank," "Owner," and "Lessee" shall include their respective heirs, legatees, executors, administrators, beneficiaries, successors, and assigns.

11. Any notice or other communication required or permitted to be given in connection with this Agreement shall be given at the applicable address set forth in the opening paragraph of this Agreement and in the manner set forth in the Loan Agreement.

12. This Agreement contains the entire agreement between the parties and no modifications shall be binding upon any party hereto unless set forth in a document duly executed by or on behalf of such party.

13. This Agreement may be executed in multiple counterparts, all of which shall be deemed originals and with the same effect as if all parties had signed the same document. All of such counterparts shall be construed together and shall constitute one instrument.

14. Owner or Lessee shall indemnify, save, defend, and hold Bank harmless from any loss, cost, expense, or liability, including fees of accountants, attorneys, consultants, and expert witnesses reasonably incurred in defending or enforcing Bank's rights arising out of or related to this Agreement or otherwise relating to the relationship of the parties, regardless of whether they are incurred before, during or after any litigation or other dispute resolution procedure, regardless of Bank's success on the merits and regardless of whether they relate to issues arising out of or related to contract, tort, bankruptcy or any other area of law.

15. This Agreement shall be governed by and interpreted, construed, and enforced according to the laws of the State of Alabama. The parties submit to exclusive personal jurisdiction of the state courts in Jefferson County in the State of Alabama for the enforcement of any and all obligations under this Agreement, the Loan Documents, or arising out of or related to the transactions contemplated thereby

**16. EACH PARTY HEREBY WAIVES ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY ON ANY CLAIM, COUNTERCLAIM, SETOFF, DEMAND, ACTION, OR CAUSE OF ACTION (A) ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT, THE LOAN DOCUMENTS OR THE LOAN, OR (B) IN ANY WAY CONNECTED WITH OR PERTAINING OR RELATED TO OR INCIDENTAL TO ANY DEALINGS OF BANK, OWNER OR LESSEE WITH RESPECT TO THE LOAN DOCUMENTS OR IN CONNECTION WITH THIS AGREEMENT OR THE EXERCISE OF EITHER PARTY'S RIGHTS AND REMEDIES UNDER THIS AGREEMENT OR OTHERWISE, OR THE CONDUCT OR THE RELATIONSHIP OF THE PARTIES HERETO, IN ALL OF THE FOREGOING CASES WHETHER NOW**



**EXISTING OR HEREAFTER ARISING AND WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. OWNER AND LESSEE AGREE THAT BANK MAY FILE A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY, AND BARGAINED AGREEMENT OF OWNER AND LESSEE IRREVOCABLY TO WAIVE THEIR RIGHTS TO TRIAL BY JURY AS AN INDUCEMENT OF BANK TO MAKE THE LOAN, AND THAT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY DISPUTE OR CONTROVERSY WHATSOEVER (WHETHER OR NOT MODIFIED HEREIN) BETWEEN OWNER, LESSEE, AND BANK SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.**

**[SIGNATURES ON FOLLOWING PAGE]**

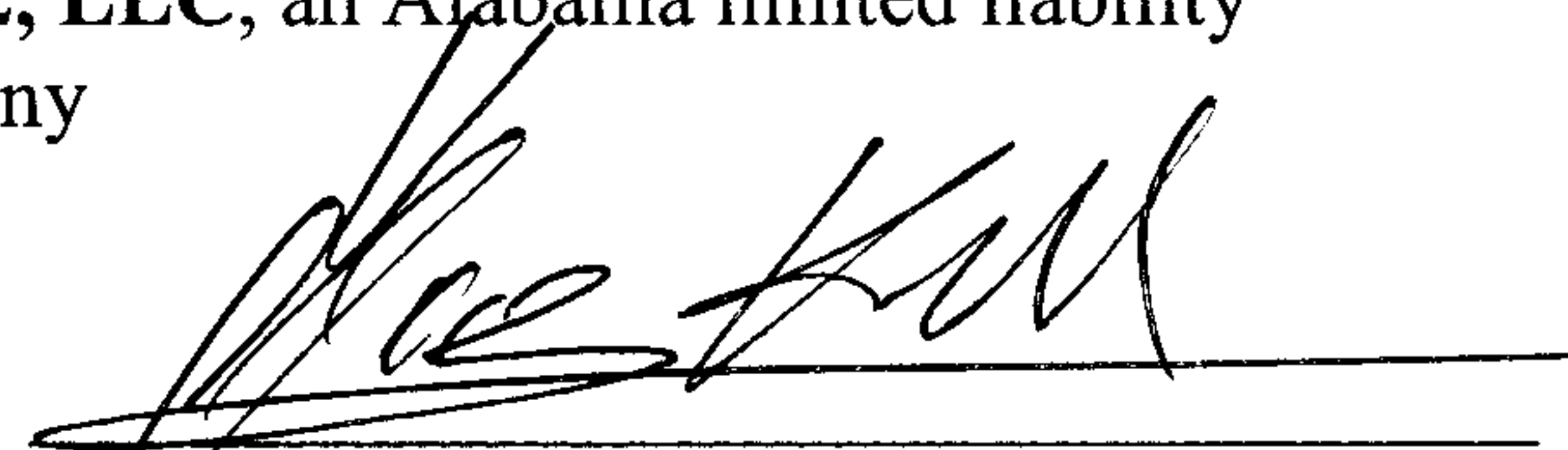


**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement as of the day and year first above written.

**OWNER:**

**VOP 2, LLC**, an Alabama limited liability company

By:



Moiz Fouladbakhsh

Its:

Sole Member

**STATE OF ALABAMA**

)

**COUNTY OF JEFFERSON**

)

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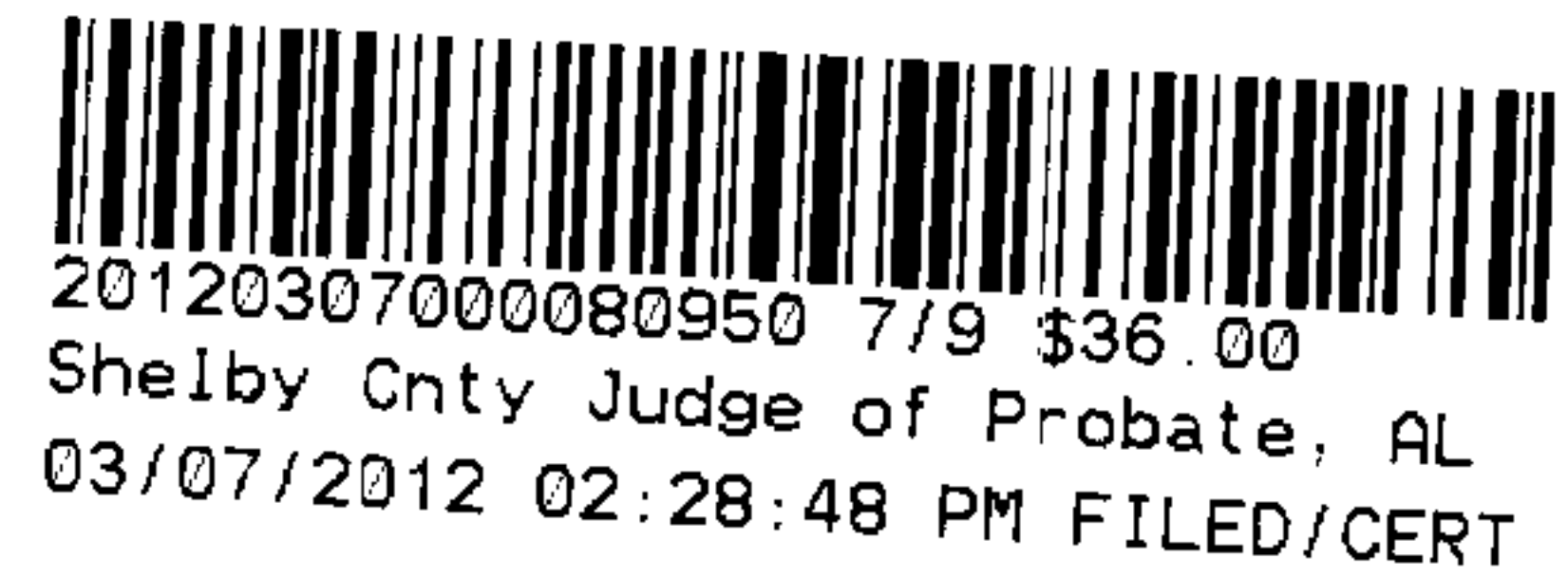
I, the undersigned Notary Public in and for said County, in said State, hereby certify that Moiz Fouladbakhsh, whose name as the Sole Member of **VOP 2, LLC**, an Alabama limited liability company, is signed to the foregoing agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of said agreement, he, as such Sole Member and with full authority, executed the same voluntarily for and as the act of said limited liability company on the day the same bears date.

Given under my hand and official seal, this 2<sup>nd</sup> day of March, 2012.

*Dana L. Campbell*

Notary Public

My Commission Expires: May 10, 2013



**LESSEE:**

**PARADE HOME BUILDERS, INC.,** an Alabama corporation

By:

Moiz Fouladbakhsh

Title: President

STATE OF ALABAMA            )  
  )  
COUNTY OF JEFFERSON        )

I, the undersigned Notary Public in and for said County, in said State, hereby certify that Moiz Fouladbakhsh, whose name as the President of **PARADE HOME BUILDERS, INC.,** an Alabama corporation, is signed to the foregoing agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of said agreement, he, as such President and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal, this 2<sup>nd</sup> day of March, 2012.

Notary Public

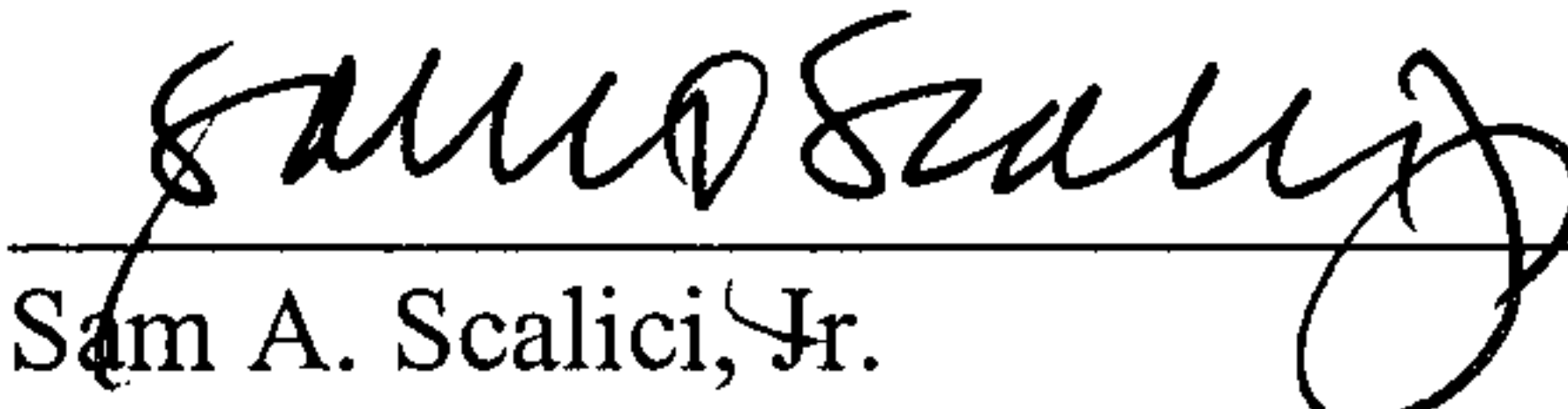
My Commission Expires: May 10, 2013



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**BANK:**

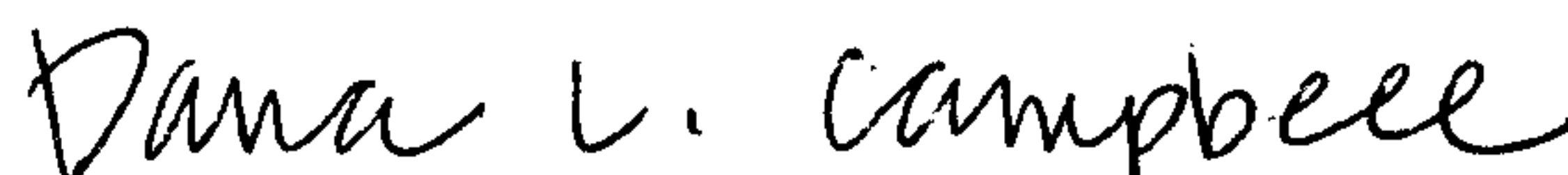
**OAKWORTH CAPITAL BANK**, an Alabama  
state banking corporation

By:   
Sam A. Scalici, Jr.  
Its: Managing Director

STATE OF ALABAMA                    )  
  )  
COUNTY OF JEFFERSON            )

I, the undersigned Notary Public in and for said County, in said State, hereby certify that Sam A. Scalici, Jr., whose name as Managing Director of **OAKWORTH CAPITAL BANK**, an Alabama state banking corporation, is signed to the foregoing agreement and who is known to me, acknowledged before me on this day that, being informed of the contents of said agreement, he, as such Managing Director and with full authority, executed the same voluntarily for and as the act of said banking corporation on the day the same bears date.

Given under my hand and official seal, this 2<sup>nd</sup> day of March, 2012.

  
Notary Public  
My Commission Expires: May 10, 2013



**EXHIBIT "A"**

**Legal Description**

Lot 2, Valleydale Office Plaza as recorded in Map Book 42, Page 16, in the Office of the Judge of Probate Shelby County, Alabama, being described by metes and bounds as follows:

A parcel of land situated in the Northeast one-quarter of the Southeast one-quarter of Section 20, Township 19 South, Range 2 West, Shelby County, Alabama, being further described as follows:

Begin at the Northwest corner of Lot 2, Valleydale Office Plaza, as recorded in Map Book 42, Page 16, in the Office of the Judge of Probate, Shelby County, Alabama; thence run in a Southeasterly direction along the North line of said Lot 2 for a distance of 122.66 feet to a gsa capped rebar and the Northeast corner of said Lot 2; thence turn an interior angle of 90 degrees 00 minutes 00 seconds to the right and run in a Southwesterly direction along the East line of said Lot 2 for a distance of 251.36 feet to a gsa capped rebar, said point being on the Northernmost right of way line of Valleydale Road (80' right of way) and a point on curve to the left, said curve having a radius of 5689.68 feet, a central angle of 01 degrees 30 minutes 34 seconds, an interior angle of 137 degrees 54 minutes 32 seconds to the left to chord of said curve for a chord distance of 149.90 feet; thence run along arc of said curve and along said right of way for a distance of 149.90 feet to the Southwest corner of said Lot 2 and a point on a compound curve to the right, thence leaving said Northernmost right of way, said curve having a radius of 87.00 feet, a central angle of 41 degrees 49 minutes 54 seconds, an interior angle of 63 degrees 00 minutes 25 seconds from chord to chord of said curve for a chord distance of 62.12 feet; thence run along arc of said curve and along the West boundary of said Lot 2 for a distance of 63.52 feet; thence run along a line tangent to last describe curve for a distance of 304.58 feet to the POINT OF BEGINNING. Said parcel contains 38,532 square feet or 0.88 acres more or less.