

Prepared By and Return To:
Vernita Runfeldt
FC-V Financial, L.P.
5718 Westheimer, Suite 1450
Houston, Texas 77057

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SUBORDINATION AGREEMENT

STATE OF ALABAMA §
 §
COUNTY OF SHELBY §

This SUBORDINATION AGREEMENT is made and entered into effective as of the 20th day of September 2022, by and between BC PALMER COVE, LLC, an Alabama limited liability company ("**Borrower**"), having a mailing address of 336 James Record Road SW, Huntsville, Alabama 35824, BUILT CAPITAL REAL ESTATE FUND I, LLC, a Delaware limited liability company ("**Subordinate Lender**"), having a mailing address of 336 James Record Road SW, Huntsville, Alabama 35824, for the benefit of FC-V FINANCIAL, L.P., a Delaware limited partnership ("**FC-V**"), having a mailing address of 5718 Westheimer, Suite 1450, Houston, Texas 77057.

WITNESSETH:

WHEREAS, Borrower has executed that certain Promissory Note (together with all renewals, rearrangements, modifications, enlargements, and amendments, the "**FC-V Note**") dated September 20, 2022, in the original principal amount of TWO MILLION FIVE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$2,550,000.00), payable to the order of FC-V; the FC-V Note is secured by, among other things, a first priority Mortgage and Security Agreement of even date therewith executed by Borrower to FC-V (the "**FC-V Mortgage**"), which FC-V Mortgage is filed for record as Instrument No. 20220930000374900 and re-recorded as Instrument No. 20221003000376530, of the Probate Records of Shelby County, Alabama, which FC-V Mortgage covers and encumbers the real property ("**Property**") described on **Exhibit A** attached thereto (the liens, encumbrances, security title to and security interest created by the FC-V Mortgage and the liens, encumbrances, security title to and security interest created by any other

security documents now or hereafter executed, delivered, or authorized by Borrower in connection with securing payment of the FC-V Note [such other security documents being hereinafter called the “*FC-V Security Documents*”] are herein referred to as the “*FC-V Liens*”);

WHEREAS, Borrower has executed that certain Mortgage and Security Agreement dated September 20, 2022 for the benefit of Subordinate Lender, filed for record as Instrument No. 20220930000374910, and re-recorded as Instrument No. 20221003000376540 of the Probate Records of Shelby County, Alabama (the “*Inferior Mortgage*”) securing the payment of a loan (the “*Inferior Indebtedness*”) as described in the Inferior Mortgage, in the principal amount as described therein, payable to the order of the Subordinate Lender (which Inferior Indebtedness and any and all liens, encumbrances, security title and security interest now or hereafter securing same, including, without limitation, the Inferior Mortgage, are hereinafter referred to as the “*Inferior Liens*”);

WHEREAS, the Inferior Indebtedness evidences a loan payable to Subordinate Lender which funds have been advanced by Subordinate Lender as part of Borrower’s equity for the acquisition and development of the Property; and

WHEREAS, as an inducement and condition precedent for FC-V to provide the financing to Borrower evidenced by the FC-V Note, Subordinate Lender has agreed to subordinate the Inferior Liens and the Inferior Indebtedness to the FC-V Liens and any renewals, supplements, modifications, rearrangements, amendments or extensions of the FC-V Note and the FC-V Liens or any indebtedness created or incurred in substitution therefor.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) and other good and valuable considerations the undersigned parties hereby agree as follows:

1. Until the FC-V Note is paid in full, Subordinate Lender does hereby agree that the Inferior Liens and Subordinate Lender’s right, title and interests in and to the Property shall at all times be and remain subordinate and inferior to the FC-V Note and the FC-V Liens, and all renewals, supplements, modifications, extensions, amendments and rearrangements thereof, whether evidenced by a new note or notes or liens or renewals, extensions or rearrangements of the existing FC-V Note and the FC-V Liens, including, without limitation, any documents in favor of FC-V executed by Borrower assigning Borrower’s interest in any amounts payable to Borrower by any governmental authority, and to FC-V’s right, title and interests in and to the Property. Provided that no Event of Default (as defined in the FC-V Mortgage) has occurred, FC-V does hereby agree that any portion of “Net Sales Proceeds” (as defined in the FC-V Mortgage) or any other sums received by Borrower from the sale of any portion of the Property, to the extent not payable to FC-V under the terms of the FC-V Security Documents, may be used to make any payments due under the Inferior Indebtedness. Subordinate Lender unconditionally agrees to execute and deliver a release of the Inferior Liens covering any portion of the Property encumbered by the Inferior Mortgage in connection with the sale of all or a portion of such Property by Borrower to purchasers; provided, however, that such sales price shall not be lower than approved by Subordinate Lender in writing, which approval shall not be unreasonably withheld, conditioned or delayed. Subordinate Lender hereby agrees to accept as a release price for each such portion of the Property an amount not to exceed an amount established and agreed upon by and between Borrower and Subordinate Lender as set forth in the Inferior Mortgage or other loan agreement or

security documents entered into by Borrower and Subordinate Lender (“***Subordinate Lender’s Release Price***”), which Subordinate Lender’s Release Price shall in no event exceed the net sales proceeds paid in connection with the sale after deducting (i) normal and customary costs incurred in connection with such sale (excluding any fees, commissions or other payments payable to Borrower or any affiliates of Borrower), and (ii) FC-V release price required in the FC-V Mortgage, as the same may be amended from time to time. If there are no net sales proceeds remaining from the sale of such portion of the Property after payment of such costs and FC-V’s release price, or if such proceeds are insufficient to pay such costs and FC-V’s release price, Subordinate Lender unconditionally agrees to release such portion of the Property from the Inferior Liens upon its sale to a purchaser without payment or consideration. In the event that Subordinate Lender fails for any reason to execute and deliver any partial release of any portion of the Property from the Inferior Liens pursuant to the terms hereof, a partial release of such portion of the Property executed by FC-V automatically shall constitute a partial release of such portion of the Property from the Inferior Liens.

2. The parties hereto acknowledge and agree that a condition to FC-V’s consent to the execution and delivery by Borrower of the Inferior Mortgage and the creation of the Inferior Liens and to the other agreements of FC-V set forth in this Agreement is that the maturity date of the Inferior Indebtedness shall not be sooner than the September 20, 2025 as set forth and defined in the FC-V Note.

3. This subordination is automatic and self-operative, without the necessity of further act or written instrument executed by Subordinate Lender, including Subordinate Lender’s joinder and/or consent to any renewal, supplement, modification, extension, amendment and rearrangement instrument with respect to the FC-V Liens. If, however, requested in writing by FC-V, Subordinate Lender shall on demand execute, acknowledge and deliver any and all such documents as may be required by FC-V to evidence the superior status of the FC-V Note and the FC-V Liens.

4. So long as FC-V, or its successors or assigns, holds the FC-V Liens, or retains an interest in the FC-V Liens, FC-V shall not be entitled to exercise any remedies provided in the FC-V Mortgage, the FC-V Note, or any of the FC-V Security Documents until after compliance with the following procedures:

a. FC-V, when giving any notice to Borrower of any default under the FC-V Mortgage, the FC-V Note, or any of the FC-V Security Documents as to which FC-V intends to accelerate the maturity of the FC-V Note, shall send a copy of such notice to Subordinate Lender (the “***Notice***”);

b. If the default so noticed can be cured by the payment of money, Subordinate Lender shall have the right, but not the obligation, in place of Borrower to cure such default by payment of money within five (5) days of Subordinate Lender’s receipt of the Notice (“***Monetary Default Cure Period***”); and

c. If the default so noticed is not a default which can be cured by the payment of money but is curable by other actions taken by Subordinate Lender within thirty (30) days of Subordinate Lender’s receipt of the Notice, Subordinate Lender shall have the right, but not the obligation, in place of Borrower to promptly commence to cure such default

and to proceed diligently at all times to a completion of such cure within thirty (30) days of Subordinate Lender's receipt of the Notice ("*Non-Monetary Default Cure Period*").

5. Borrower hereby covenants and agrees that FC-V and Subordinate Lender may communicate (such communications in any form, whether written, oral or otherwise, collectively the "*Communications*") directly with each other, with or without Borrower being a party and in event without any further consent from Borrower, about any and all matters relating to (i) the development of the project (the "*Project*") contemplated or referenced in the FC-V Note, the FC-V Mortgage, the FC-V Security Documents, the Inferior Liens, or any other documents executed in connection with or related, directly or indirectly, to the aforementioned documents (collectively, the "*Project Documents*"), to (ii) the Project Documents, or (iii) any other matters reasonably relevant to the Project or the Project Documents. The Communications may include, but shall not be limited to, discussions relating to default remedies that may be pursued or possible loan restructurings or workout arrangements in connection with a default under any of the Project Documents. Borrower hereby authorizes such communications and waives any and all rights to notice (whether prior, concurrent or after the fact) of the Communications. IN ADDITION, BORROWER HEREBY RELEASES FC-V AND SUBORDINATE LENDER, AND THEIR RESPECTIVE SUCCESSORS, ASSIGNS, LEGAL REPRESENTATIVES, EMPLOYEES, PARTNERS, MEMBERS AND MANAGERS (ALL THE FOREGOING BEING COLLECTIVELY REFERRED TO HEREIN AS THE "*RELEASED PARTIES*"), FROM ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, AND OTHER ACTIONS OR CHARGES NOW OR HEREAFTER EXISTING, WHETHER KNOWN OR UNKNOWN, IN CONTRACT OR IN TORT (COLLECTIVELY, THE "*CLAIMS*"), WHICH BORROWER MAY HAVE ARISING OUT OF OR RELATING TO THE COMMUNICATIONS (INCLUDING WITHOUT LIMITATION THE OMISSION OR FAILURE OF FC-V AND SUBORDINATE LENDER TO HAVE THE COMMUNICATIONS).

6. In consideration of the additional security afforded by Subordinate Lender's loan to Borrower and with knowledge that Subordinate Lender is relying upon the agreements contained herein in making the loan secured by the Inferior Mortgage, FC-V hereby consents to the execution and delivery by Borrower to Subordinate Lender of the Inferior Mortgage, and agrees that the grant of a security title and interest therein shall not constitute a default under the FC-V Security Documents. FC-V further agrees as follows, anything contained in the FC-V Security Documents to the contrary notwithstanding:

a. to forego the institution of any foreclosure proceedings against the Property and the exercise of any other right or remedy afforded FC-V under the FC-V Security Documents during the Monetary Default Cure Period or the Non-Monetary Default Cure Period, as the case may be, and to give Subordinate Lender notice of the institution of any foreclosure proceedings against the Property;

b. to sell and assign to Subordinate Lender at any time prior to the foreclosure sale of the Property, without recourse, warranty or representation, the FC-V Security Documents and all of FC-V's rights thereunder, upon payment by Subordinate Lender to FC-V of (i) the outstanding principal balance of the FC-V Note secured by the FC-V Mortgage being foreclosed (not to exceed the original principal amount of the FC-V Note), (ii) all accrued but unpaid interest under the FC-V Note at the default rate of interest, (iii)

all reasonable costs incurred in connection with such default, including reasonable attorney's fees actually incurred, and (iv) any amounts advanced as described in Section 44-14-2(a) of the O.C.G.A. in order to protect the Property or the lien of the FC-V Security Documents; and

c. to enter into no modification or amendment of the FC-V Security Documents to increase the indebtedness due thereunder, to change the release provisions therein, or to make any advances of principal to Borrower thereunder or otherwise in excess of the original principal amount of the FC-V Note (other than amounts advanced as described in Section 44-14-2[a] of the O.C.G.A.) without the prior written consent of Subordinate Lender, which consent may not be unreasonably withheld, conditioned or delayed.

d. not to release any funds held by FC-V which were advanced by Subordinate Lender to Borrower (and are being held in a "suspense account" by FC-V), except either (i) pursuant to the Approved Budget, as such term is defined, and the draw procedures set forth in, that certain Residential Development Loan Agreement between FC-V and Borrower dated of even date herewith, (ii) following an Event of Default, or (iii) with prior consent of Subordinate Lender.

7. Any and all notices, elections or demands (each sometimes herein referred to as a "Notice" or a notice in this Subordination Agreement) permitted or required to be given under this Subordination Agreement shall be in writing, signed by or on behalf of the party giving such Notice, and shall be deemed to have been properly given in any of the following manners:

a. By personal delivery of such Notice to a party or to any officer, partner, agent or employee of such party at the applicable address on a Business Day (defined below), in which case such Notice shall be effective upon being personally delivered;

b. By depositing such Notice prior to 5:00 PM on a Business Day in the United States mail, postage prepaid, certified with return receipt requested, in which case such Notice shall be effective on the third (3rd) Business Day after such deposit in the United States mail; or

c. By depositing such Notice prior to 5:00 PM on any Business Day with a reputable overnight commercial delivery service (such as FedEx or UPS) requiring proof of delivery for next Business Day delivery, in which case such Notice shall be effective on the first (1st) Business day after deposit with such courier.

All Notices to a party shall be addressed to such party at its address set forth below or at such other address within the continental United States as such party may designate by Notice specifically designated as a Notice of change of address and given in accordance herewith. The time period in which a response to any such Notice must be given shall commence on the effective date thereof; provided however that no Notice of change of address shall be effective until the actual date of receipt thereof by the party to which such Notice of change of address is given. Any such notice, election, demand, request or response:

If given to FC-V, shall be addressed as follows:

FC-V Financial, L.P.
5718 Westheimer, Suite 1450
Houston, Texas 77057
Attention: Todd Aiken

With a copy to:

Holland & Knight LLP
811 Main Street, Suite 2500
Houston, Texas 77002
Attention: Manny Gardberg

If given to Subordinate Lender, shall be addressed as follows:

Built Capital Real Estate Fund I, LLC
336 James Record Road SW
Huntsville, Alabama 35824
Attention: Adam Davidson

With a copy to:

Burr & Forman LLP
222 Second Avenue South, Suite 2000
Nashville, Tennessee 37201
Attention: C. Tucker Herndon

If given to Borrower:

BC Palmer Cove, LLC
336 James Record Road SW
Huntsville, Alabama 35824
Attention: Adam Davidson

With a copy to:

Burr & Forman LLP
222 Second Avenue South, Suite 2000
Nashville, Tennessee 37201
Attention: C. Tucker Herndon

8. Borrower joins in the execution hereof to evidence its consent hereto and its agreement to be bound by the provisions of this Subordination Agreement.

9. This Subordination Agreement shall not be amended or changed except by the prior written consent signed by each of the undersigned parties.

10. If any term or provision of this Subordination Agreement or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Subordination Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Subordination Agreement shall be valid and enforceable to the fullest extent permitted by law.

11. This Subordination Agreement has been negotiated in and shall be construed and enforced in accordance with the laws of the State of Alabama.

12. All personal pronouns used in this Subordination Agreement shall include the other genders whether used in the masculine or feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate.

13. This Subordination Agreement shall be binding upon and shall inure to the benefit of and be enforceable by FC-V, its respective successors and assigns and each subsequent holder of any of the FC-V Note and the FC-V Liens securing its payment, and any reference herein to FC-V shall be deemed to include a reference to such successors, assigns and holders. This Subordination Agreement shall be binding upon and shall inure to the benefit of Subordinate Lender and its successors and assigns and each subsequent beneficiary of the Inferior Liens, and each reference herein to Subordinate Lender shall be deemed to include a reference to such successors and assigns.

14. This Subordination Agreement embodies the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior understandings written or oral between the parties.

15. This Subordination Agreement may be executed in any number of counterparts, and it is not necessary that the signatures of all parties hereto be contained on any one counterpart hereof; each counterpart will be deemed to be an original and all together shall constitute one and the same document.

16. The term "Business Day," as used herein, shall mean any day other than a Saturday, Sunday or holiday on which national or state chartered banks are closed for business in the Metropolitan Houston, Texas area.

17. Time is of the essence of this Subordination Agreement.

[Remainder of the page intentionally left blank.]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Subordination Agreement to be duly executed and delivered under seal effective as of the date first above written.

SUBORDINATE LENDER:

BUILT CAPITAL REAL ESTATE FUND I, LLC,
a Delaware limited liability company

By:


Levi Mixon, Authorized Officer

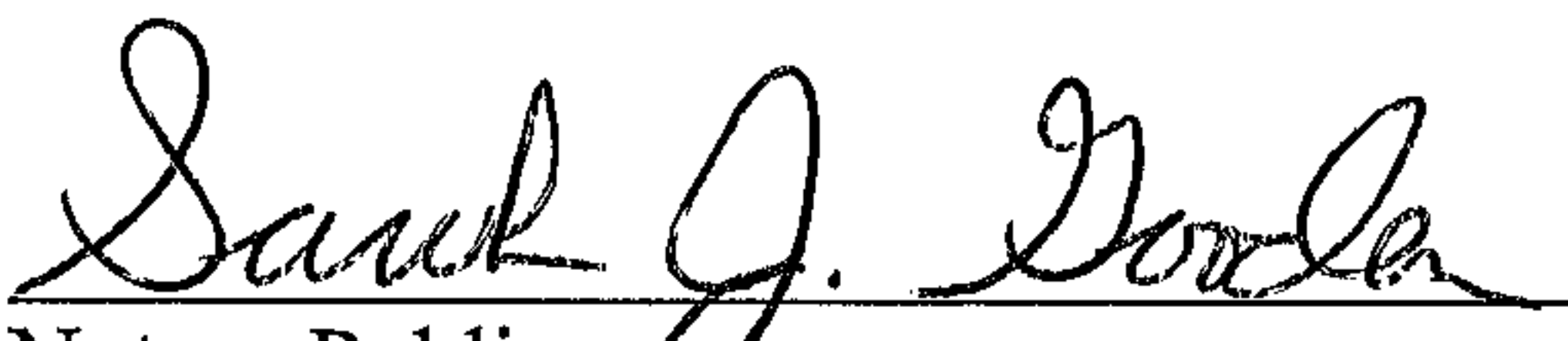
STATE OF Alabama
COUNTY OF Jefferson

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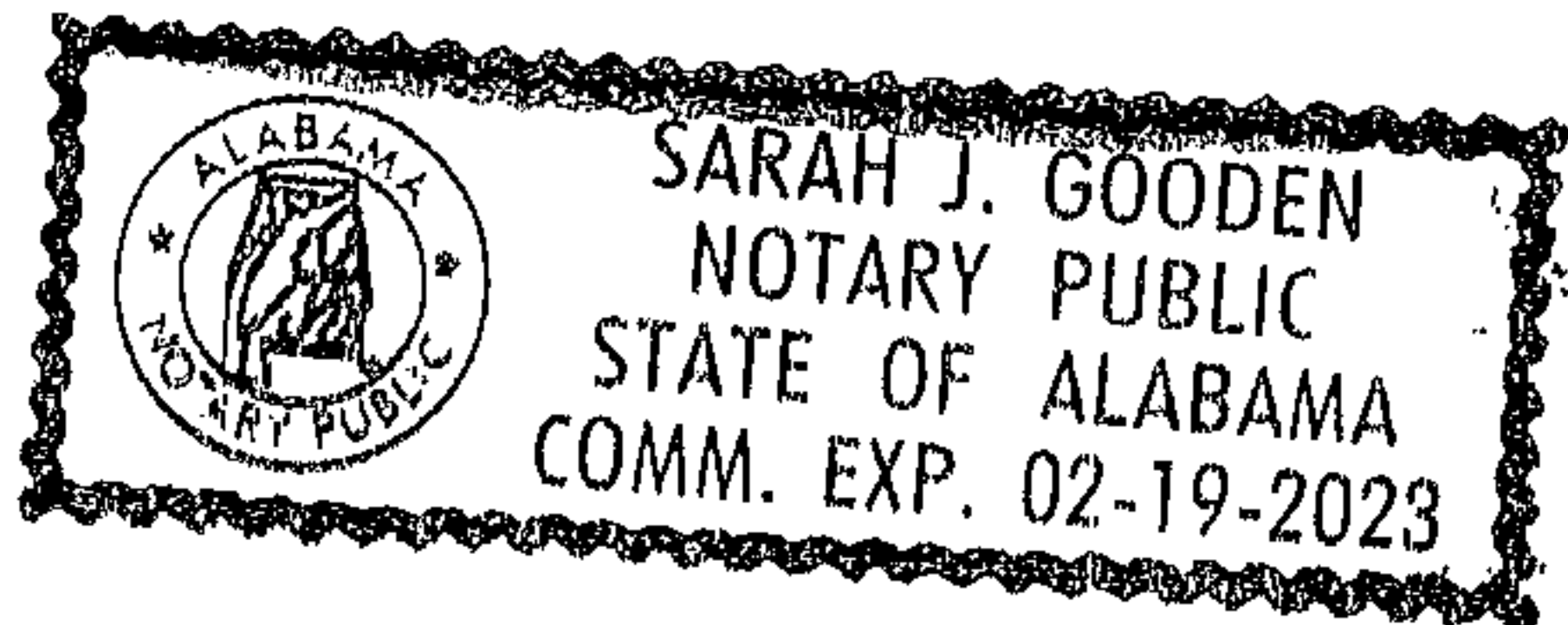
I, the undersigned authority, a Notary Public in and for said county and state, hereby certify that Levi Mixon, the Authorized Officer of BUILT CAPITAL REAL ESTATE FUND I, LLC, a Delaware limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such Authorized Officer and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand this the 16th day of September 2022.

(Affix Seal)


Notary Public

Commission Expires: 02-19-2023



FC-V:

FC-V FINANCIAL, L.P.,
a Delaware limited partnership

By: FC-V MGMT LLC,
a Texas limited liability company,
its General Partner

By: Teresa Adams
Name: Teresa Adams
Title: SVP

STATE OF TEXAS

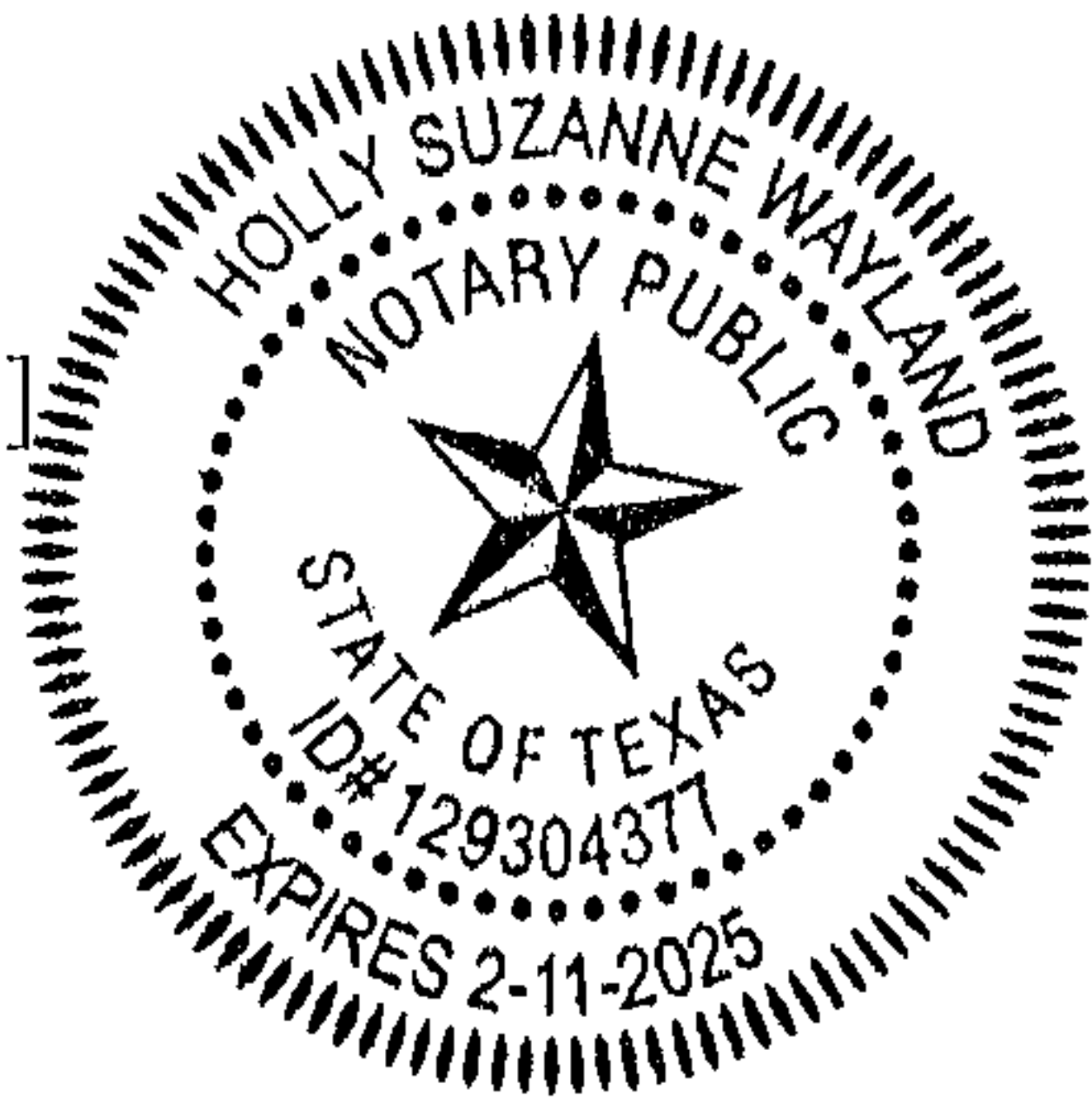
COUNTY OF HARRIS

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Before me, Holly S. Wayland, on this day personally
appeared Teresa Adams, SVP of FC-V MGMT
LLC, a Texas limited liability company, General Partner of FC-V Financial, L.P., a Delaware
limited partnership, known to me to be the person whose name is subscribed to the foregoing
instrument and acknowledged to me that he executed the same for the purposes and consideration
therein expressed and in the capacity therein stated.

Given under my hand and seal of office this 16 day of September 2022.

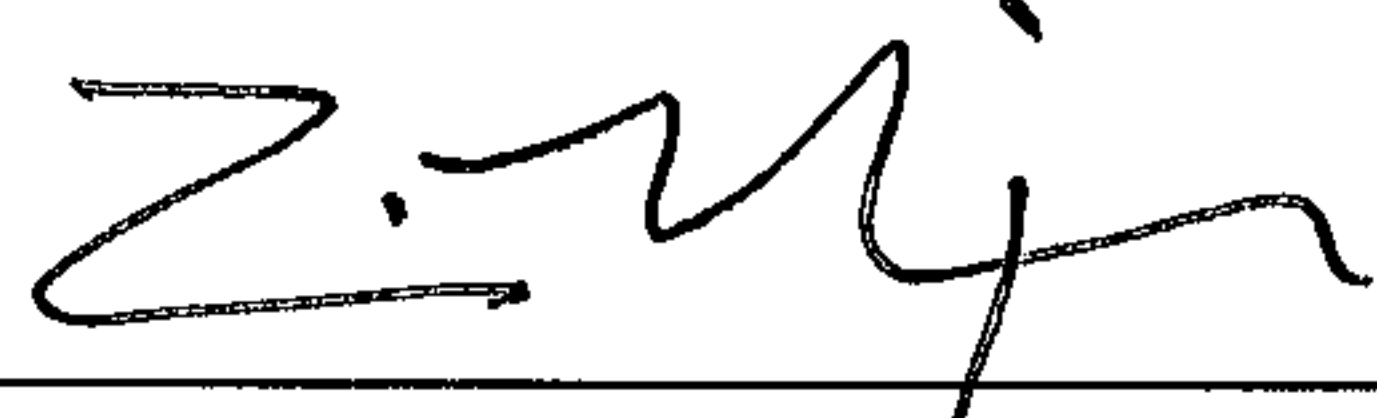
[SEAL]



Holly S. Wayland
Notary Public in and for the State of Texas

BORROWER:

BC PALMER COVE, LLC,
an Alabama limited liability company

By:  (seal)
Levi Mixon, Authorized Officer

STATE OF ALABAMA

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COUNTY OF JEFFERSON

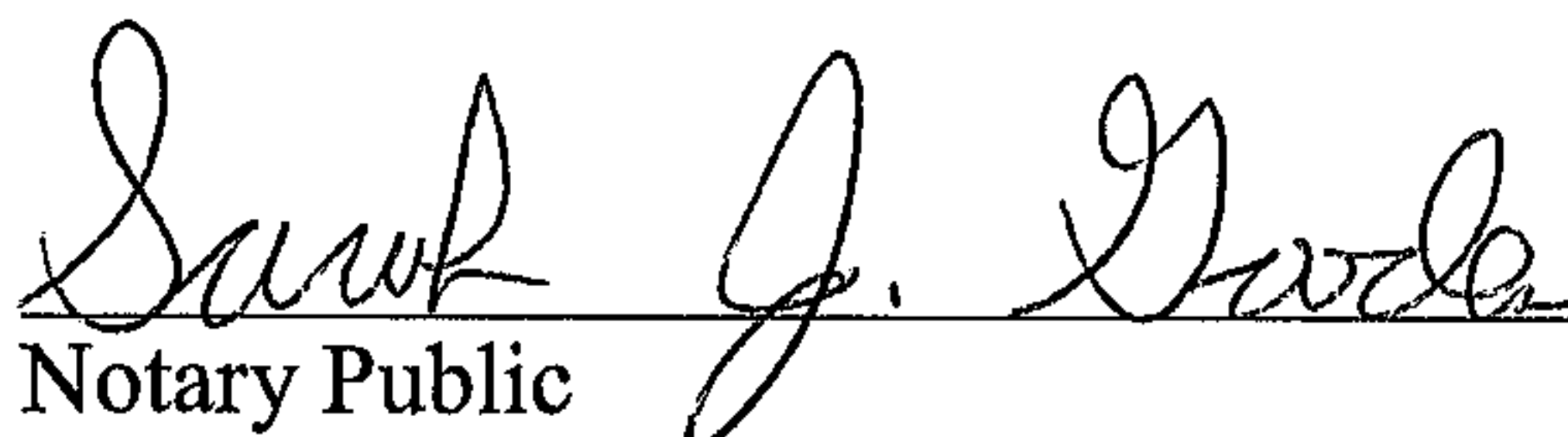
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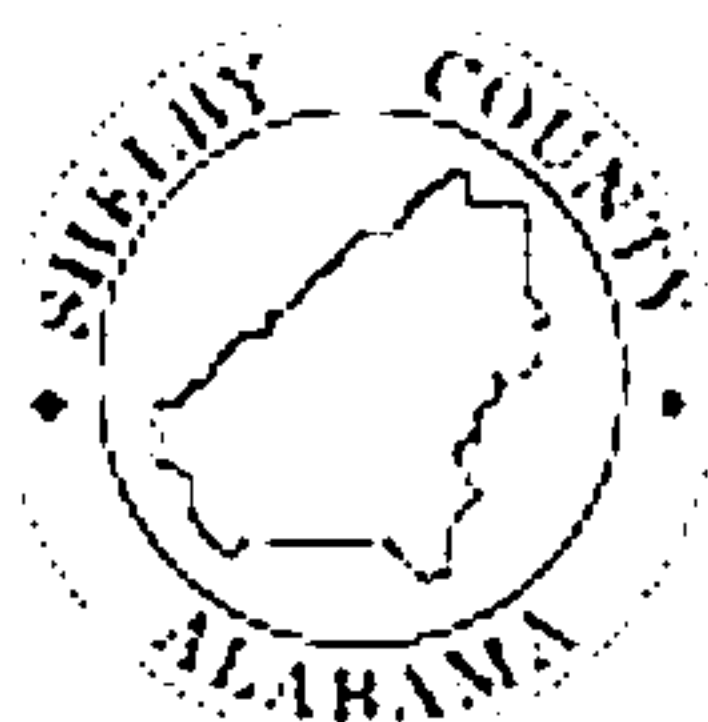
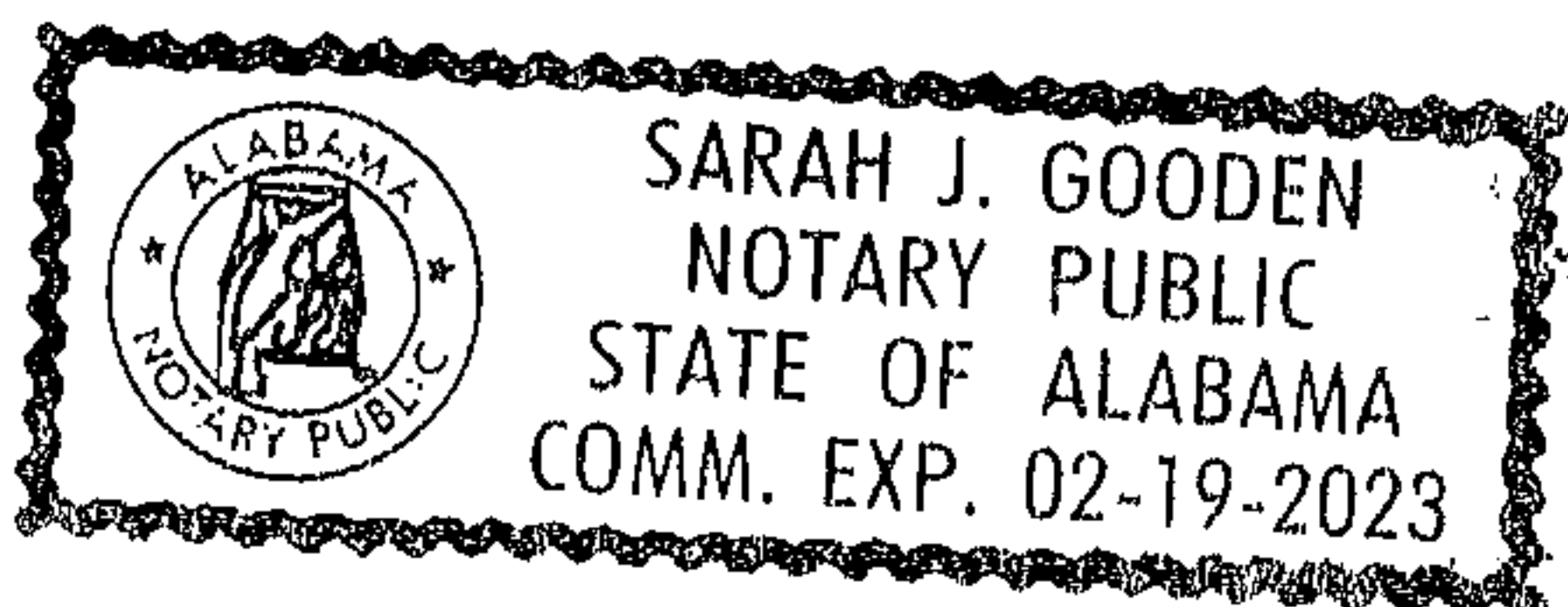
I, the undersigned authority, a Notary Public in and for said county and state, hereby certify that Levi Mixon, Authorized Officer of BC Palmer Cove, LLC, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such Authorized Officer and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand this the 16th day of September 2022.

(Affix Seal)


Notary Public

Commission Expires: 02-19-2023



Filed and Recorded
Official Public Records
Judge of Probate, Shelby County Alabama, County
Clerk
Shelby County, AL
10/06/2022 09:26:22 AM
\$52.00 JOANN
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