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PAGES:8

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HONORABLE JAMES N. HOGAN
GLOUCESTER COUNTY CLERK
RECEIPT#: 779446 08:56:01 AM

10/15/2018
MB 15595 240

Fee:\$ 100.00

DOCUMENT DATE: 10/05/2018

MUNICIPALITY: WOOLWICH BLOCK: 4 LOT: 4

REFERENCE DOC: MORTGAGE 13095 328 0 6/18/2012 00:00:00

PARTIES:

FIRST PARTY-BG2023 LLC
SECOND PARTY-GLOUCESTER NEW COMMUNITIES COMPANY INC

RECORD & RETURN TO:
SIMPLIFILE

PLEASE DO NOT DETACH THIS PAGE FROM THE ORIGINAL
DOCUMENT AS IT CONTAINS IMPORTANT INFORMATION AND
IS PART OF THE PERMANENT RECORD.

GLOUCESTER COUNTY RECORDING DATA PAGE
HONORABLE JAMES N. HOGAN, COUNTY CLERK

MORTGAGE SUBORDINATION AGREEMENT

THIS MORTGAGE SUBORDINATION AGREEMENT ("Subordination") made this 5th day of October, 2018, by BG2023 LLC ("BG2023"), in favor of GLOUCESTER NEW COMMUNITIES COMPNAY, INC. ("GNCC").

Background

WHEREAS, in connection with certain promissory notes (collectively, the "Notes") issued by Summit Ventures L.L.C. ("Summit") in favor of GNCC, Summit granted to GNCC the following: (i) that certain mortgage (the "#5 Commercial Mortgage") recorded June 18, 2012 in Mortgage Book 13095, Page 328, as amended by that Amended and Restated Mortgage recorded November 13, 2017 in Mortgage Book 15269, Page 35 encumbering (among other properties) Block 4, Lots 4Q Farm and 3.03Q Farm (the "TC#5 Commercial Site"); (ii) that certain mortgage (the "#4 Commercial Mortgage") recorded June 28, 2011 in Mortgage Book 12674, Page 89, as amended by that Amended and Restated Mortgage recorded January 23, 2018 in Mortgage Book 15337, Page 303 encumbering (among other properties) Block 28.01, Lot 2Q Farm (the "TC#4 Commercial Site"); and (iii) that certain mortgage (the "Apartment Mortgage" and together with the #5 Commercial Mortgage and the #4 Commercial Mortgage, the "Mortgages") recorded February 15, 2012 in Mortgage Book 12937, Page 147 as amended by that Amended and Restated Mortgage recorded September 21, 2017 in Mortgage Book 15209, Page 16 encumbering (among other properties) Block 28.04, Lots 7 and 7Q Farm (the "Apartment Site" and collectively with the TC#5 Property and the TC#4 Property, the "Mortgaged Property"); and

WHEREAS, in connection with BG2023's purchase of certain assets from GNCC, GNCC agreed to assign GNCC's interest in the Notes and Mortgages to BG2023; and

WHEREAS, BG2023 is indebted to GNCC up to a maximum principal amount of \$600,000.00 as evidenced by a promissory note from BG2023 in favor of GNCC (the "New Note") which is secured, in part, by a mortgage from Summit to GNCC, dated October 5th 2018 encumbering the Mortgaged Property (the "New Mortgage"); and

WHEREAS, the BG2023 desires that the Mortgages shall be postponed in lien and operation to the lien and operation of the New Mortgage and further agrees that it shall forebear from exercise of its rights in the event of default as set forth below; and

NOW, THEREFORE, in consideration of the sum of \$1.00 and other good and valuable consideration, the receipt of which is hereby acknowledged and intending to be legally bound, and with knowledge that GNCC has relied upon this Subordination Agreement as an inducement to make the loans to BG2023, agree as follows:

1. Subordination. The payment of any and all Subordinated Debt is expressly subordinated to the Senior Debt to the extent and in the manner set forth in this Subordination Agreement. The term "Subordinated Debt" means all indebtedness, liabilities, and obligations of Summit, now existing or hereafter arising, to BGCC under the Notes. The term "Senior Debt" means any and all obligations of BG2023 to GNCC under the New Note secured by the New Mortgage. BG2023 hereby fully subordinates and postpones in lien, payment operation and distribution the Mortgages to the lien of the New Mortgage to the full extent.

2. **Forbearance.** Until the Senior Debt is indefeasibly paid in full, Summit shall not pay, and undersigned shall not accept, any payments of any kind (including prepayments) associated with the Subordinated Debt; provided, however, that so long as there is no Event of Default or Default under the New Mortgage exists or after giving effect to the making of any such payment(s) would exist, Summit may pay and the undersigned may accept regularly scheduled payments on the Subordinated Debt. So long as this Subordination remains in effect, no prepayment of any kind (by voluntary prepayment, acceleration, set-off or otherwise) of any portion of the Subordinated Debt may be made by Summit or received or accepted by the undersigned at any time.

3. **Waiver of Claims.** The undersigned agrees that it will not make any assertion or claim in any action, suit or proceeding of any nature whatsoever in any way challenging the priority, validity or effectiveness of the liens and security interests granted to GNCC under and in connection with New Mortgage, or any amendment, extension, replacement thereof or related agreement between GNCC and Summit. In addition, the undersigned will not commence any action or proceeding of any kind against Summit to recover all or any part of the Subordinated Debt not paid when due, and shall at no time join with any creditor, in bringing any proceeding against Summit under any liquidation, conservatorship, bankruptcy, reorganization, rearrangement, or other insolvency law now or hereafter existing, unless and until the Senior Debt shall be indefeasibly paid in full. Subject to the foregoing, the undersigned may accelerate the amount of the Subordinated Debt upon the occurrence of (i) the acceleration of the Senior Debt; and (ii) the filing of a petition under the Bankruptcy Code by Summit.

4. **Insolvency.** In the event of any liquidation, conservatorship, bankruptcy, reorganization, rearrangement, or other insolvency proceeding of Summit, the undersigned will at GNCC's request file any claims, proofs of claim, or other instruments of similar character necessary to enforce the obligations of Summit in respect of the Subordinated Debt and will hold in trust for GNCC and pay over to GNCC in the same form received, to be applied on the Senior Debt as determined by GNCC, any and all money, dividends or other assets received in any such proceedings on account of the Subordinated Debt, unless and until the Senior Debt shall be indefeasibly paid in full.

5. **Future Holders.** BG2023 will advise each future holder of all or any part of the Subordinated Debt that the Subordinated Debt is subordinated to the Senior Debt in the manner and to the extent provided herein. BG2023 represent that no part of the Subordinated Debt or any instrument evidencing the same has been transferred or assigned and BG2023 will not transfer or assign, except to GNCC, any part of the Subordinated Debt while any Senior Debt remains outstanding, unless such transfer or assignment is made expressly subject to this Subordination Agreement. Upon GNCC's request, BG2023 will in the case of any Subordinated Debt which is not evidenced by any instrument cause the same to be evidenced by an appropriate instrument or instruments, and place thereon and on any and all instruments evidencing the Subordinated Debt a legend in such form as GNCC may determine to the effect that the indebtedness evidenced thereby is subordinated and subject to the prior payment in full of all Senior Debt pursuant to this Subordination Agreement, as well as deliver all such instruments to GNCC.

6. **Binding Effect.** The Subordination shall be binding upon the successors and assigns of BG2023 and each of them.

7. **Severability.** THIS SUBORDINATION, AND ALL MATTERS ARISING OUT OF OR RELATING TO THIS SUBORDINATION, AND ALL RELATED AGREEMENTS AND DOCUMENTS, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE STATE OF NEW JERSEY. THE PROVISIONS OF THIS SUBORDINATION AND ALL OTHER AGREEMENTS AND DOCUMENTS REFERRED TO HEREIN ARE TO BE DEEMED SEVERABLE, AND THE INVALIDITY OR UNENFORCEABILITY

OF ANY PROVISION SHALL NOT AFFECT OR IMPAIR THE REMAINING PROVISIONS WHICH SHALL CONTINUE IN FULL FORCE AND EFFECT.

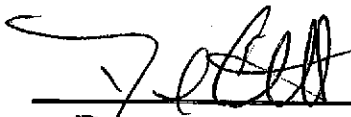
8. **Assignment.** This Subordination may be assigned by GNCC, in whole or in part in connection with any assignment or transfer of any portion of the Senior Debt.

9. **Governing Law.** This Subordination shall be governed by and construed in accordance with the laws of the State of New Jersey.

[Signatures on Following Page]

IN WITNESS WHEREOF, the undersigned parties have executed this Subordination Agreement as of the date and year first above written.

**GLOUCESTER NEW COMMUNITIES
COMPANY, INC.**

By: 
David Cantrell

BG2023 LLC

By: _____

**AGREED TO AND ACKNOWLEDGED,
INTENDING TO BE LEGALLY BOUND:**

SUMMIT VENTURES LLC:

By: COWICH ASSOCIATES LLC, its duly authorized member

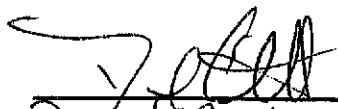
By: _____ (SEAL)
Kenneth I. Schatz
Authorized Representative

By: TWENTY TWENTY LLC, its duly authorized member

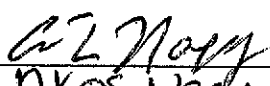
By: _____ (SEAL)
Akos L. Nagy
Authorized Representative

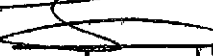
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**GLOUCESTER NEW COMMUNITIES
COMPANY, INC.**

By: 
David Cantrell

BG2023 LLC

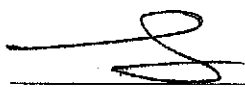
By: 
AKOS Nagy

By: 
Kenneth I. Schatz

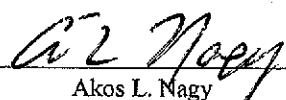
AGREED TO AND ACKNOWLEDGED,
INTENDING TO BE LEGALLY BOUND:

SUMMIT VENTURES LLC:

By: COWICH ASSOCIATES LLC, its duly authorized member

By:  (SEAL)
Kenneth I. Schatz
Authorized Representative

By: TWENTY TWENTY LLC, its duly authorized member

By:  (SEAL)
Akos L. Nagy
Authorized Representative

STATE OF MARYLAND :
 :SS
COUNTY OF HOWARD :

BE IT REMEMBERED that on this 2nd day of OCTOBER, 2018, before me, the undersigned witnessing authority, personally appeared David Canyrell who is to me known to be the person who executed the foregoing instrument, and thereupon he did acknowledge that he signed and delivered such instrument on behalf of Gloucester New Communities Company, Inc., as its voluntary act duly authorized by a proper resolution of its Board of Directors, for the uses and purposes therein expressed.

Christopher J. Sears
Notary Public CHRISTOPHER J. SEARS

My Commission Expires 8/14/2021

[SEAL]

STATE OF NEW JERSEY :
COUNTY OF Burlington : SS.
~~CAMDEN~~ :

BE IT REMEMBERED, that on this 5th day of October, 2018, KENNETH I. SCHATZ and AKOS NAGY personally appeared before me and acknowledged under oath to my satisfaction that they personally signed and delivered the foregoing document, that they were authorized to execute the foregoing document on behalf of BG2023 LLC, a New Jersey limited liability company, and this document is delivered as the duly authorized and voluntary act of BG2023 LLC



Notary Public

My Commission Expires

[SEAL]

