

AMSOUTH BANK
REAL ESTATE SUBORDINATION APPROVAL

To: Union State Bank
Attn: Susi Waites
From: Holly Owens
Date: 5-8-98
Re: Customer: Terry G. Reach & Mary Betsy Reach
Equity Acct. #: 5299070100100116
New Mortgage Company: Union State Bank

ACCOUNT STATUS:

Date Opened:	<u>7-17-89</u>	Appraisal Amt.: <u>\$Beacon: 708</u>
Current Limit:	<u>\$25,000</u>	New 1st Mtg. Bal: <u>\$86,500</u>
Balance:	<u>\$0.00</u>	Max LTV: <u>\$NA</u>
New Limit (if applicable):	<u>\$NA</u>	Amount Due: <u>\$NA</u>

XXX APPROVED by: Holly Owens

AmSouth agrees to subordinate the above referenced Equity Line/Loan to the Mortgage Company referenced above, subject to the terms listed above, as well as the documentation required below.

_____ The Line of Credit limit is being lowered due to AmSouth's Loan To Value policy. Please deliver a hard copy* of the attached Amendment to Equity Line of Credit Agreement to be executed by the borrower(s) and return to my attention along with certified funds, if applicable, to ensure the balance does not exceed the new limit..

XXX Please deliver a hard copy* of the attached Subordination Agreement to the closing attorney/agent to be recorded in the county records and return to my attention.

_____ Other:

*Hard copy mailed first class on today's date, shown above.

DECLINED

AmSouth does not agree to subordinate the above referenced Equity Line/Loan to the Mortgage Company referenced above, due to AmSouth Loan To Value policy.

If you have any questions or problems, please feel free to contact me.

Phone (800) 896-6513, Fax (205) 560-3728 and mailing address is as follows:

AmSouth Bank
Attn: Holly Owens
P.O. Box 830721
Birmingham, Alabama 35283

Inst # 1998-17564

05/13/1998-17564
12:00 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
003 MCD 13.50

State of Alabama
Shelby County

SUBORDINATION AGREEMENT

THIS AGREEMENT is made and entered into on this 8th day of May 1998 by AmSouth Bank (hereinafter referred to as the "Mortgagee") in favor of Union State Bank, (hereinafter referred to as the "Mortgage Company"), its successors and assigns.

WITNESSETH:

WHEREAS, Mortgagee did loan to Tery G. Reach & Mary Betsy Reach (the "Borrower", whether one or more) the sum of Twenty-five thousand dollars and 00/100 (\$25,000), which loan is evidenced by a note dated 7-17-89, executed by Borrower in favor of Mortgagee, and is secured by a mortgage, deed of trust, security deed, deed to secure debt or other security instrument of even date therewith ("the Mortgage") covering the property described therein and recorded in book 248 amended in book 1996, page 185-187 amended on page 12999, in the public records of Shelby County, Alabama and

WHEREAS, Borrower has requested the Mortgage Company lend to it the sum of Eighty-six thousand Five-hundred dollars and 00/100 (\$86,500) (the "Loan"), such Loan to be evidenced by a promissory note in such amount executed by Borrower in favor of the Mortgage Company and secured by a mortgage, deed of trust, deed to secure debt, security deed or other security instrument of even date therewith (the "Mortgage Company Mortgage"); and

WHEREAS, the Mortgage Company has agreed to make the Loan to Borrower, if, but only if, the Mortgage Company Mortgage shall be and remain a lien or charge upon the property covered thereby prior and superior to the lien or charge of the Mortgage on the terms set forth below and provided that the Mortgage Company will specifically and unconditionally subordinate the lien or charge of the Mortgage to the lien or charge of the Mortgage Company Mortgage on the terms set forth below.

NOW, THEREFORE, in consideration of one dollar and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of all which is hereby acknowledged, and in order to induce the Mortgage Company to make the Loan above referred to, Mortgagee agrees as follows:

1. The Mortgage Company Mortgage and the note secured by the Mortgage Company Mortgage and the debt evidenced by such note and any and all renewals and extensions thereof, or of any part thereof, and all interest payable on all said debt and on any and all such renewals and extensions shall be and remain at all times a lien or charge on the property covered by the Mortgage Company Mortgage, prior and superior to the lien or charge to the Mortgage.

2. Mortgagee acknowledges that it intentionally waives, relinquishes, and subordinates the priority and superiority of the lien or charge of the Mortgage in favor of the lien or charge of the Mortgage Company, and that it understands that, in reliance upon and in consideration of the waiver, relinquishment, and subordination, specific loans and advances are being and will be made, and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into by the Mortgage Company which would not be made or entered into but for such reliance upon this waiver, relinquishment, and subordination.

3. This agreement contains the entire agreement between the parties hereto as to the loan secured by the Mortgage and the Loan secured by the Mortgage Company Mortgage, and as to the priority thereof, and there are no agreements, written or oral, outside or separate from this agreement, and all prior negotiations are merged into this agreement.

4. This agreement shall be binding upon the Mortgagee, its successors and assigns and shall inure to the benefit of the Mortgage Company, its successors and assigns.

5. No waiver shall be deemed to be made by the Mortgage Company of any of its rights hereunder unless the same shall be in writing signed on behalf of the Mortgage Company, and each such waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the Mortgage Company or the obligations of the Borrower or the Mortgagee to the Mortgage Company hereunder in any other respect at any other time.

IN WITNESS WHEREOF, the Mortgagee has caused this instrument to be executed by its duly authorized officer on the day and date first set forth above.

AMSOUTH BANK

ATTEST

Holly Owens
Its Teleservicing Representative
Heather Webb
Its Teleservicing Representative

By: [Signature]
Its Vice President

ACKNOWLEDGMENT FOR CORPORATION

State of Alabama
Shelby County

I, the undersigned authority, a Notary Public, in and for said county in said State hereby certify that Mark Smith whose name as Vice President of AmSouth Bank, a corporation, 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 said instrument, the officer, with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this 8 day of May, 1998

Bonnie Simpson
Notary Public

My commission expires:

4-1-99
NOTARY MUST AFFIX SEAL

This Instrument Prepared By:

Holly Owens
P.O. Box 830721
Birmingham, Alabama 35283

Acct: 5299070100100116

Inst # 1998-17564

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