

STATE OF ALABAMA
JEFFERSON COUNTY

SUBORDINATION AGREEMENT

IN CONSIDERATION OF \$10.00 AND OTHER VALUABLE CONSIDERATION AND IN ORDER TO INDUCE CARRAWAY METHODIST CREDIT UNION TO MAKE A MORTGAGE LOAN TO LARRY MASALLIS AND WIFE, DEBBIE MASALLIS, PEOPLES BANK OF NORTH ALABAMA DOES HEREBY SUBORDINATE ITS MORTGAGES RECORDED IN INSTRUMENT 1999/20821 AND 1996/1615 TO THE MORTGAGE EXECUTED BY LARRY MASALLIS AND WIFE, DEBBIE MASALLIS TO CARRAWAY METHODIST CREDIT UNION FOR \$180,000.00, WHICH IS RECORDED IN INSTRUMENT 20040803000429550

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT NEITHER THIS SUBORDINATION AGREEMENT NOR ANYTHING CONTAINED HEREIN SHALL IN ANY WISE ALTER OR AFFECT THE VALIDITY OF THE MORTGAGES OF PEOPLES BANK OF NORTH ALABAMA, FIRST MENTIONED HEREIN, OR THE LIEN ON THE REAL ESTATE SO SUBORDINATED HEREIN OR ANY OF THE OTHER COLLATERAL SECURING THE INDEBTEDNESS OF THE BORROWER TO PEOPLES BANK OF NORTH ALABAMA.

IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED THAT THIS SUBORDINATION IS TO EXTEND ONLY TO THE LOAN AMOUNT AND PURPOSE AS EXPRESSLY SET FORTH HEREIN, AND WILL NOT BE VALID OR EXTEND TO ANY FUTURE ADVANCEMENTS MADE BY SAID LENDER ON THE NOTE EVIDENCING ITS LOAN.

DONE THIS THE 25th DAY OF June, 2004.

PEOPLES BANK OF NORTH ALABAMA
BY: [Signature]
ITS: EVP

STATE OF ALABAMA
CULLMAN COUNTY

I, THE UNDERSIGNED AUTHORITY, A NOTARY PUBLIC IN AND FOR SAID COUNTY IN SAID STATE, HEREBY CERTIFY THAT CANDACE HOOTEN, WHOSE NAME AS EXECUTIVE VICE-PRESIDENT OF PEOPLES BANK OF NORTH ALABAMA, A CORPORATION, IS SIGNED TO THE FOREGOING CONVEYANCE, AND WHO IS KNOWN TO ME, ACKNOWLEDGED BEFORE ME ON THIS DAY THAT, BEING INFORMED OF THE CONTENTS OF THE CONVEYANCE, SHE, AS SUCH OFFICER WITH FULL AUTHORITY, EXECUTED THE SAME VOLUNTARILY FOR AND AS THE ACT OF SAID CORPORATION.

GIVEN UNDER MY HAND AND OFFICIAL SEAL, THIS THE 25 DAY OF June, 2004.

[Signature]
NOTARY PUBLIC
MY COMMISSION EXPIRES: 8/20/05

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