

BHM11000115

THE STATE OF ALABAMA)
COUNTY OF Jefferson)

20110429000129900 1/2 \$18.00
Shelby Cnty Judge of Probate, AL
04/29/2011 02:16:33 PM FILED/CERT

SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned, Covenant Bank, (Subordinate Lender) and Terry Eugene Smith and spouse Dorothy F Smith (Mortgagors) acknowledge that debt secured by that certain Mortgage dated 06/28/08 from Terry Eugene Smith and spouse Dorothy F Smith, (Mortgagors) to Covenant Bank, (Subordinate Lender) on the following described real estate situated and being in Shelby County, Alabama, to wit:

LOT 101, ACCORDING TO THE SURVEY OF GREYSTONE LEGACY, 1ST SECTOR, AS RECORDED IN THE MAP BOOK 26, PAGE 79 A, B, & C, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA.

WHEREAS, the undersigned, understand and agree that the debt secured by that certain Mortgage dated 06/28/08 from Terry Eugene Smith and spouse Dorothy F Smith (Mortgagors) to Covenant Bank, (Subordinate Lender) recorded in Instrument Number 20080813000325970, in the Office of the Judge of Probate of Shelby County, Alabama, in the principal amount of \$250,000.00 shall be second, subordinate and inferior to that certain Mortgage dated March 25, 2011, executed by Terry Eugene Smith and spouse Dorothy F Smith, (Mortgagors) to Compass Bank recorded in Instrument Number 20110404000104460, in the Office of the Judge of Probate of Shelby County, Alabama, in the principal amount of \$500,000.00.

ANY DEFAULT under the terms of that certain Mortgage recorded in Instrument Number 20110404000104460 in the Office of the Judge of Probate of Shelby County, Alabama (first mortgage) or the obligation secured thereby, shall constitute a default of that Mortgage recorded in Instrument Number 20110404000104460 in the Office of the Judge of Probate of Shelby County, Alabama.

IN WITNESS WHEREOF, Covenant Bank, through its authorized individual, and President and CEO hereunto have set their hands and seals this 21st day of March, 2011.

Subordinate Lender:

[Signature] (SEAL)
BY: *Vice President*
ITS: *Vice President*

Mortgagors:

[Signature] (SEAL) *[Signature]* (SEAL)

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BEFORE ME, the undersigned authority, duly authorized to administer oaths and take acknowledgments, personally appeared Hodge Patterson - Vice President, and acknowledged the foregoing in his/her capacity as same for the purposes herein described this the 22nd day of March, 2011.

NOTARY PUBLIC

[Signature]

My commission expires: 3/6/12

THE STATE OF ALABAMA)
COUNTY OF JEFFERSON)

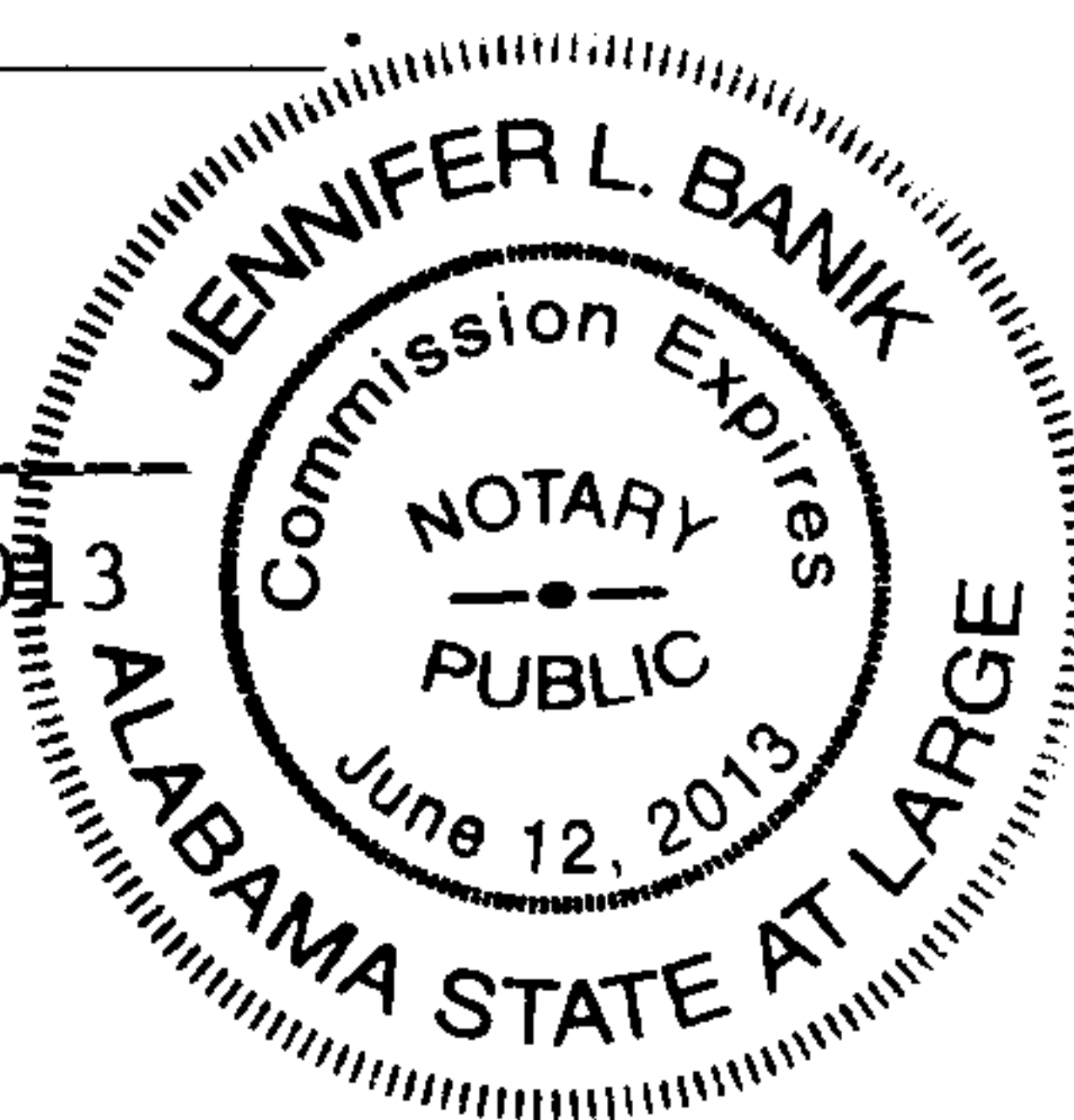
I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Terry Eugene Smith and wife, Dorothy F. Smith, whose names are signed to the foregoing, and who are known to me, acknowledged before me on this day, that being informed of the contents of said instrument, they executed the same voluntarily.

Given under my hand and seal of office, this 25th day of March, 2011.

NOTARY PUBLIC

My commission expires: 06/12/2013

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES June 12, 2013
BONDED THRU NOTARY PUBLIC UNDERWRITERS



THIS INSTRUMENT WAS PREPARED BY:

Shannon W Brasher
VP Loan Services
Covenant Bank
PO Box 309
Leeds AL 35094