

THIS INSTRUMENT PREPARED BY:  
T. Kurt Miller  
Balch & Bingham  
Post Office Box 306  
Birmingham, Alabama 35201  
Tel: (205) 251-8100

2041

STATE OF ALABAMA)

MORTGAGE SUBORDINATION AGREEMENT

COUNTY OF SHELBY)

THIS MORTGAGE SUBORDINATION AGREEMENT, made this 25<sup>th</sup> day of August, 1988, by Robert E. Lee, Mary Nell Littlefield, and Louella L. Honeycutt, individuals, individually and as Trustees of the Last Will and Testament of Tom Lee, deceased, (hereinafter collectively called "Mortgagee"), with the joinder of Ken Mitchell Builders, Inc., an Alabama corporation (hereinafter called "Owner").

P R E A M B L E

A. Central Bank of the South (hereinafter called "Central") is the holder of a certain Mortgage (the "Central Mortgage"), dated as of August 25<sup>th</sup>, 1988 given to it by Owner, as Mortgagor to secure the indebtedness of Owner to Central in the original principal amount of \$750,000.00 together with negative amortization, interest and other sums referred to therein (the "Central Loan").

B. The Central Mortgage encumbers, inter alia, certain premises situated in Shelby County, Alabama owned by Owner and more fully described in Exhibit A annexed hereto and made a part hereof (the "Premises"), which Central Mortgage is recorded in Real Book 201, at Page 345, in the Office of the Judge of Probate of Shelby County, Alabama, substantially contemporaneously with this Subordination Agreement.

C. Mortgagee is the holder of a certain prior mortgage (the "Prior Mortgage"), dated August 27, 1986, and given to Mortgagee by Owner, as Mortgagor, to secure the indebtedness described therein, which Prior Mortgage encumbers the Premises, and was recorded in Real Book 87, at Page 937 in the Office of the Judge of Probate of Shelby County, Alabama.

D. Mortgagee benefits from the transactions contemplated in connection with the securing of the Central Loan by the Central Mortgage.

E. The execution of this Subordination Agreement was and is a condition of Central's agreement to consummate the Central Loan.

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John J. H.

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NOW, THEREFORE, intending to be legally bound and for the sum of \$10.00 and other good and valuable consideration, the receipt of which is hereby acknowledged, Mortgagee hereby covenants and agrees as follows:

#### A G R E E M E N T

1. With regard to the Premises described on Exhibit A, the Prior Mortgage shall become, and henceforth shall be, subject and subordinate in lien, priority and distribution to the lien of the Central Mortgage and to all advances heretofore made or which hereafter may be made and secured thereby; to any increases in the Central Mortgage, whether by negative amortization or whether made for the purpose of protecting or enforcing any of Central's rights under the Central Mortgage, including, without limitation, the curing of any default in the performance of Owner's covenants under the Central Mortgage, to pay interest, costs, charges, real estate taxes and insurance premiums; and to any extensions, renewals, modifications and replacements of the Central Mortgage and substitutions therefor, all of which actions by Central specifically are authorized by Mortgagee. Any reference in this Subordination Agreement to the Prior Mortgage shall be deemed to include any security interest of Mortgagee in personalty which is created by the Prior Mortgage, or otherwise, which security interest is likewise subordinate to any security interest of Central in or related to the Premises. Mortgagee agrees that any and all right, claim, lien, title and interest of Mortgagee or which Mortgagee may hereafter acquire in the Premises and any improvements, fixtures, chattels, and personal property now or hereafter located thereon, is and will at all times be subordinate, junior, subject to, and inferior to the liens, security interests and all of the terms, provisions and conditions of the Central Mortgage and all agreements and documents relating thereto.

2. This Agreement is a continuing agreement and shall remain in full force and effect until such time as the Central Mortgage is satisfied of record or Central specifically consents in writing to its termination.

3. The provisions of this Subordination Agreement are solely for the benefit of Central and Mortgagee, and shall not be deemed to modify any of the agreements executed and delivered in connection with the Central Mortgage, or the Prior Mortgage or to waive any of the rights of Central or Mortgagee, as the case may be thereunder, as against Owner, nor shall it constitute or give rise to any defense, right of set-off or counterclaim by Owner.

4. This Agreement may be amended or modified only by written instrument signed by Central and Mortgagee.

5. This Agreement and all of the terms, conditions and provisions hereof shall be binding upon and inure to the benefit of Central and Mortgagee, and their respective successors and assigns.

6. Owner consents and agrees hereto, but shall not be deemed to be a third party beneficiary hereof, nor of any of the terms or provisions contained herein.

IN WITNESS WHEREOF, the parties have signed this Subordination Agreement as of the day and year first above written.

WITNESS:

Robert E. Lee  
Ken Mitchell

MORTGAGEE:

Robert E. Lee  
Robert E. Lee, individually  
and as Trustee of the Last  
Will and Testament of Tom  
Lee, deceased.

Ken Mitchell

Mary Nell Littlefield  
Mary Nell Littlefield,  
individually and as  
Trustee of the Last Will  
and Testament of Tom Lee,  
deceased.

Ken Mitchell

Louella L. Honeycutt  
Louella L. Honeycutt,  
individually and as  
Trustee of the Last Will  
and Testament of Tom Lee,  
deceased.

ATTEST:

By: Jim Bishop  
Its: Sec.

OWNER:

Ken Mitchell Builders, Inc.

By: Ken Mitchell  
Its: Pres.

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STATE OF ALABAMA)  
COUNTY OF SHELBY)

I, the undersigned, Notary Public in and for said County in said State, hereby certify that Ken Mitchell, whose name as President of Ken Mitchell Builders, Inc., an Alabama 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 the instrument, \_\_\_\_\_, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 25 day of August, 1988

Michaelle Reed

[NOTARIAL SEAL]

Notary Public  
My commission expires: 1992

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STATE OF Al )  
COUNTY OF Shelby )

I, Elizabeth M. Bishop, a Notary Public in and for said County in said State, hereby certify that ROBERT E. LEE, MARY NELL LITTLEFIELD, AND LOUELLA L. HONEYCUTT, whose names, individually and as Trustees of the Last Will and Testament of Tom Lee, deceased are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that being informed of the contents of the instrument, they, as individuals and as Trustees of the Last Will and Testament of Tom Lee, deceased, on the day of the same bears date.

Given under my hand this the 25 day of August, 1988.

Elizabeth M. Bishop

[NOTARIAL SEAL]

Notary Public  
My commission expires: 2-18-89

**EXHIBIT A TO  
SUBORDINATION AGREEMENT  
("PREMISES")**

**Parcel A**

Commence at the SE Corner of the NW 1/4 of the SE 1/4, Section 12, Township 20 South, Range 3 West, thence North 89 deg. 53 min. 05 sec. West and run 900.88 feet along 1/4-1/4 line thence North 25 deg. 49 min. 04 sec. East and run 391.60 feet to the point of beginning; thence North 64 deg. 10 min. 56 sec. West and run 375.00 feet; thence North 25 deg. 49 min. 04 sec. East and run 120.00 feet; thence South 64 deg. 10 min. 56 sec. East and run 30.00 feet; thence North 25 deg. 49 min. 04 sec. East and run 90.00 feet; thence North 64 deg. 10 min. 56 sec. West and run 255.00 feet; thence North 25 deg. 49 min. 04 sec. East and run 251.60 feet; thence run South 80 deg. 45 min. 41 sec. East and run 568.03 feet; thence left and along the arc of a curve having a central angle of 8 deg. 25 min. 18 sec. and a radius of 404.87 feet and run 59.51 feet; thence South 25 deg. 49 min. 04 sec. West, and run 644.79 feet to the point of beginning; being situated in Shelby County, Alabama

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STATE OF ALA. SHELBY CO.  
I CERTIFY THIS  
INSTRUMENT WAS FILED

88 AUG 26 AM 8:27

*Thomas A. Snowden, Jr.*  
JUDGE OF PROBATE

1. Legal Fee	_____
2. Notary	_____
3. Recording	12.50
4. Insurance	2.00
TOTAL	14.50