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MORTGAGE SUBORDINATION AGREEMENT

STATE OF ALABAMA

COUNTY OF SHELBY

KNOW ALL MEN BY THESE PRESENTS, That

WHEREAS, on April 23, 1987, JANNEY HOMES, INC. ("Mortgagor") did execute in favor of CENTRAL BANK OF THE SOUTH ("Mortgagee") a mortgage on the real property described on Exhibit A attached hereto and incorporated herein by reference (the "Property"), which was recorded in Real Volume 128, Page 604, in the Office of the Judge of Probate of Shelby County, Alabama (the "Central Mortgage"), and which was given to secure a loan from Mortgagee to the Mortgagor in the original principal amount of \$ 124,425.00 (the "Central Loan"); and

WHEREAS, the Central Loan was jointly and severally guaranteed by Steven M. Janney, James A. Stroud, and M. Lewis Gwaltney, Jr. (collectively, the "Guarantors"), pursuant to one or more continuing guaranty agreements (collectively, the "Guaranties"); and

WHEREAS, Mortgagor desires to sell the Property to Guarantors and the Guarantors desire to purchase the Property from the Mortgagor; and

WHEREAS, the Guarantors desire to finance the purchase of the Property through a loan in the principal amount of \$121,600.00 (the "Colonial Loan") from Colonial Bank ("Colonial") and to secure the Colonial Loan by a mortgage on the Property, which is to be recorded in the office of the Judge of Probate of Shelby County, Alabama, substantially contemporaneously with this Mortgage Lien Subordination Agreement (the "Colonial Mortgage"); and

WHEREAS, Mortgagor and the Guarantors have requested that the Central Mortgage be subordinated and made junior to the Colonial Mortgage to the extent of the Colonial Loan; and

WHEREAS, Mortgagee has agreed to subordinate the Central Mortgage to the Colonial Mortgage to the extent of the Colonial Loan in exchange for a principal payment on the Central Loan in the amount of \$ 121,600.00

NOW, THEREFORE, Mortgagee does hereby subordinate the Central Mortgage to the Colonial Mortgage to the extent of \$121,600.00, plus accrued and unpaid interest on said sum at the rate set forth in the promissory note evidencing the Colonial Loan. The Central Mortgage shall in all other respects remain in full force and effect and constitute a valid first lien against the Property as to all other liens, including, without limitation, any lien created in favor of Colonial by the Colonial Mortgage or otherwise to secure any amounts other than the amount of the Colonial Loan plus accrued and unpaid interest thereon as provided herein.

Mortgagor and the Guarantors hereby acknowledge and agree that the provisions of this Mortgage Subordination Agreement are solely for the benefit of Mortgagee and Colonial, and shall not be deemed to modify any of the agreements executed and delivered in connection with the Central Mortgage (including, without limitation, the promissory note evidencing the Central Loan

BOOK 248 PAGE 289
A. H. Jones, Jr. /

and the Guaranties), or the Colonial Mortgage or to waive any of the rights of Mortgagee or Colonial, as the case may be, thereunder as against Mortgagor or any of the Guarantors, nor shall this Mortgage Subordination Agreement constitute or give rise to any defense, right of offset, or counterclaim by Mortgagor or any of the Guarantors. Mortgagor and the Guarantors also hereby agree and acknowledge that \$ 4,323.18 is outstanding and owing under the Central Loan, without offset or defense, as of the date hereof.

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

Mortgagor and the Guarantors consent and agree hereto, but shall not be deemed to be third party beneficiaries hereof, nor of any of the terms or provisions contained herein.

IN WITNESS WHEREOF, the parties have signed this Mortgage Subordination Agreement as of the 21 day of July, 1989.

MORTGAGEE:

CENTRAL BANK OF THE SOUTH

By: [Signature]
Its: Vice President

MORTGAGOR:

JANNEY HOMES, INC.

By: [Signature]
Its: President

GUARANTORS:

[Signature]
STEVEN M. JANNEY

[Signature]
JAMES A. STROUD

[Signature]
M. LEWIS GWALTNEY, JR.

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, the undersigned, Notary Public in and for said County in said State, hereby certify that Philip R. Webb, whose name as Vice-President of CENTRAL BANK OF THE SOUTH, an Alabama banking 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, he, 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 21st day of July, 1989.



Notary Public
My Commission Expires: 10-6-92

[NOTARIAL SEAL]

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, the undersigned, Notary Public in and for said County in said State, hereby certify that Steven M. Janney, whose name as President of JANNEY HOMES, INC., a n 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, he, 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 21 day of July, 1989.



Notary Public Anthony D. Snable
My Commission Expires: 10-21-91

[NOTARIAL SEAL]

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that STEVEN M. JANNEY, whose name 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, he executed the same voluntarily.

Given under my hand this 21 day of July, 1989.



Notary Public Anthony D. Snable
My Commission Expires: 10-21-91

[NOTARIAL SEAL]

BOOK 248 PAGE 291

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that **JAMES A. STROUD**, whose name 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, he executed the same voluntarily.

Given under my hand this 21 day of July, 1989.

[NOTARIAL SEAL]


Notary Public Anthony D. Snable
My Commission Expires: 10-21-91

STATE OF ALABAMA

COUNTY OF JEFFERSON

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that **M. LEWIS GWALTNEY, JR.**, whose name 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, he executed the same voluntarily.

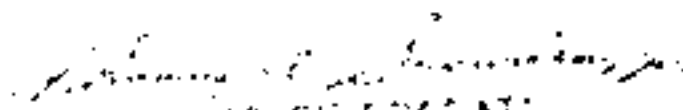
Given under my hand this 21 day of July, 1989.

[NOTARIAL SEAL]


Notary Public Anthony D. Snable
My Commission Expires: 10-21-91

BOOK 248 PAGE 292

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JUDGE OF PROBATE

1. Deed Tax	\$	_____
2. Mtg. Tax		_____
3. Recording Fee		<u>10.00</u>
4. Indexing Fee		<u>3.00</u>
TOTAL		<u>13.00</u>