

1403

STATE OF ALABAMA)

MORTGAGE SUBORDINATION AGREEMENT

COUNTY OF SHELBY)

THIS MORTGAGE SUBORDINATION AGREEMENT, made this 29th day of June 1989, 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. First National Bank of Columbiana (hereinafter called "First National"), is the holder of a certain Mortgage (the "First National Mortgage"), dated as of June 29th 1989 given to it by Owner, as Morgagor to secure the indebtedness of Owner to First National in the original principal amount of \$150,000.00 together with negative amortization, interest and other sums referred to therein (the "First National Loan").

B. The First National 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 First National Mortgage is recorded in Real Book 245, at Page 309, 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 June 2, 1988 and given to Mortgagee by Owner, as Morgagor, to secure the indebtedness described therein, which Prior Mortgage encumbers the Premises, and was recorded in Real Book 188, at Page 77, 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 First National Loan by the First National Mortgage.

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

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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 First National Mortgage and to all advances heretofore made or which hereafter may be made and secured thereby; to any increases in the First National Mortgage, whether by negative amortization or whether made for the purpose of protecting or enforcing any of First National's rights under the First National Mortgage, including, without limitation, the curing of any default in the performance of Owner's covenants under the First National Mortgage, to pay interest, costs, charges, real estate taxes and insurance premiums; and to any extensions, renewals, modifications and replacements of the First National Mortgage and substitutions therefor, all of which actions by First National 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 First National 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 First National 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 First National Mortgage is satisfied of record or First National specifically consents in writing to its termination.

3. The provisions of this Subordination Agreement are solely for the benefit of First National and Mortgagee, and shall not be deemed to modify any of the agreements executed and delivered in connection with the First National Mortgage, or the Prior Mortgage or to waive any of the rights of First National 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 First National and Mortgagee.

5. This Agreement and all of the terms, conditions and provisions hereof shall be binding upon and inure to the benefit of First National 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:

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MORTGAGEE:

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

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

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

OWNER:

Ken Mitchell Builders, Inc.

✓ By: Ken Mitchell
Its: Pres

ATTEST:

✓ By: Liz Bishop
Its: Sec.

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, 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 22nd day of June, 1989

Bonita Y. Davidson

Notary Public

My commission Expires: 9-21-92

[NOTARIAL SEAL]

STATE OF Alabama)

COUNTY OF Shelby)

I, Jim M. Brayer, 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 22nd day of June, 1989.

Jim M. Brayer

Notary Public

My commission expires: 3-24-93

[NOTARIAL SEAL]

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EXHIBIT A TO SUBORDINATION AGREEMENT
("PREMISES")

Commence at the SE corner of the NW 1/4 of the SE 1/4, Section 12, Township 20 S, Range 3 W; thence N 89° 53' 05" W and run 900.88' along 1/4-1/4 line; thence N 25° 49' 01" E and run 391.60' to the Point of Beginning; thence S 61° 10' 56" W and run 375.00'; thence N 25° 49' 01" E and run 120.00'; thence S 61° 10' 56" E and run 30.00'; thence N 25° 49' 01" E and run 90.00'; thence N 61° 10' 56" W and run 255.00'; thence N 25° 49' 01" E and run 251.60'; thence run S 80° 45' 41" E and run 568.03'; thence left and along the arc of a curve having a central angle of 8° 25' 18" and a radius of 404.87' and run 59.51'; thence S 25° 49' 01" W and run 644.79'; to the Point of Beginning. Commence at the SE corner of the NW 1/4 of the SE 1/4, Section 12, Township 20 S, Range 3 W; thence N 89° 53' 05" W and run 900.88' along 1/4-1/4 line to the Point of Beginning; thence continue along last described course 400.55'; thence N 89° 56' 47" W 265.47'; thence N 25° 49' 01" E and run 600.71'; thence S 61° 10' 56" E and run 600.00'; thence S 25° 49' 04" W and run 391.60'; to the Point of Beginning. Commence at the SE corner of the NW 1/4 of the SE 1/4, Section 12, Township 20 S, Range 3 W for the Point of Beginning; thence N 89° 53' 05" W and run 900.88' along 1/4-1/4 line; thence N 25° 49' 01" E and run 1036.39'; thence turn right and run along the arc of a curve to the left having a central angle of 45° 24' 57" and a radius of 404.87'; run 320.92'; thence N 45° 49' 19" E and run 179.97'; thence S 1° 28' 48" E and run 1177.10' to the Point of Beginning. Commence at the SW corner of the NE 1/4 of the SE 1/4, Section 12, Township 20 S, Range 3 W for the Point of Beginning; thence N 89° 14' 31" E and run along 1/4-1/4 line 1295.72'; thence N 0° 19' 40" W and run 1301.41'; thence S 89° 57' 41" W and run 821.41' to a point on the South R/W of (said point being on a curve to the right and having a central angle of 56° 30' 14" and a radius of 165.98') thence along arc of said curve run 163.69'; thence N 77° 18' 50" W and run 64.53'; thence left and along the arc of a curve having a central angle of 27° 57' 31" and a radius of 289.64' and run 141.33'; thence S 73° 42' 27" W and run 11.48'; thence left and along the arc of a curve having a central angle of 27° 35' 52" and a radius of 131.20' and run 63.20'; thence S 45° 49' 19" W and run 108.73'; thence S 1° 28' 48" E and run 1177.10' to the Point of Beginning.

ALL CLAIMS MADE
I CERTIFY THIS
INSTRUMENT WAS FILED
89 JUL 27 PM 2:09
JUDGE OF PROBATE

RECORDING FEES	
Recording Fee	\$ 12.50
Index Fee	3.00
TOTAL	15.50

Ken Mitchell Builders, Inc.
By: Ken Mitchell
Its: Pres

R. E. Lee
Robert E. Lee, individually and as Trustee of
the Last Will and Testament of Tom Lee,
deceased.
Mary Nell Littlefield
Mary Nell Littlefield, individually and as
Trustee of the Last Will and Testament of Tom Lee,
deceased.
Louella L. Honeycutt
Louella L. Honeycutt, individually and as Trustee
of the Last Will and Testament of Tom Lee,
deceased.

Given under my hand + official seal this 29th day of June
1989.
Jim M. Brown