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## SUBORDINATION AGREEMENT

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THIS SUBORDINATION AGREEMENT (the "Agreement") is made and entered into by and between **HIGHLAND BANK** (the "Lender") and **M. BYROM CORPORATION** and **MARTY BYROM** (collectively the "Contractor") as of the 7th day of July, 1994.

### WITNESSETH:

WHEREAS, the Lender has agreed to make a loan (the "Loan") to **John D. Carney and Janice F. Carney** (collectively the "Borrower") on the condition that, among other things, Contractor subordinate all liens of any nature whatsoever heretofore or hereafter arising or to which the Contractor may be entitled, including, without limitation, mechanics and materialsman's liens (collectively the "Liens") to all liens and rights of the Lender under all agreements and documents (the "Loan Documents") relating to the Loan, including, without limitation, that certain Future Advance Mortgage and Security Agreement (the "Mortgage") granted or to be granted by Borrower in favor of the Lender; and

WHEREAS, the Contractor has agreed to subordinate the Liens and all of its right, title, and interest in and to the property described in EXHIBIT A to the liens and rights of the Lender.

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to induce the Lender to make the Loan, the Contractor represents, warrants, covenants, and agrees as follows:

1. The Liens and all of the Contractor's right, title, and interest in the property described in EXHIBIT A and in the Mortgaged Property as defined in the Mortgage shall at all times be subject and subordinate in all respects to the liens and rights of the Lender under the Loan Documents, including, without limitation, liens and rights under the Mortgage, and to all renewals, replacements, consolidations, modifications, assignments, amendments and extensions thereof or thereto.

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

CONTRACTOR:  
**M. BYROM CORPORATION**

By: Marty Byrom  
Its: Pua

Marty Byrom  
**MARTY BYROM**

LENDER:  
**HIGHLAND BANK**

By: Raymond J. H. Hest  
Its: Robert Lee Smith

Inst # 1994-22338

07/18/1994-22338  
08:47 AM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE

003 MCD 13.50

STATE OF ALABAMA )  
COUNTY OF JEFFERSON )

I, a Notary Public in and for said County, in said State, hereby certify that Marty Byrom whose name as the President of M. **BYROM CORPORATION**, is signed to the foregoing Subordination Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the Subordination Agreement, 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 7 day of July, 1994

[Signature]  
Notary Public

My Commission Expires: 2/2/96

STATE OF ALABAMA )  
COUNTY OF JEFFERSON )

I, a Notary Public in and for said County, in said State, hereby certify that **MARTY BYROM** whose name is signed to the foregoing Subordination Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the Subordination Agreement, he, executed the same voluntarily.

Given under my hand this 7 day of July, 1994

[Signature]  
Notary Public

My Commission Expires: 2/2/96

STATE OF ALABAMA )  
COUNTY OF JEFFERSON )

I, a Notary Public in and for said County, in said State, hereby certify that Raymond W. Scott whose name as the Assistant Vice President of **HIGHLAND BANK**, is signed to the foregoing Subordination Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the Subordination Agreement, 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 7th day of July, 1994

[Signature]  
Notary Public

My Commission Expires: 8/10/97

**EXHIBIT A**

**DESCRIPTION OF REAL PROPERTY**

Lot 15, according to the Survey of "The Cottages at Southlake" as recorded in Map Book 16, Page 139 in the Probate Office of Shelby County, Alabama; together with an undivided 1/30th interest in and to the "Common Area" as designated on the said record map.

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RE-1624