

STATE OF ALABAMA)
COUNTY OF SHELBY)

SUBORDINATION AGREEMENT

THIS AGREEMENT is made and entered into on this the 18th day of June, 1997 by REGIONS BANK formerly known as First Alabama Bank (hereinafter referred to as the "Mortgagee") in favor of WICKES MORTGAGE LENDING, INC. its successors and assigns (hereinafter referred to as "WICKES").

WITNESSETH

WHEREAS, Mortgagee has previously loaned to Cloud & Estes, Inc. ("Developers") which is evidenced by a promissory note executed by Developers in favor of Mortgagee, and is secured by a mortgage of even date therewith, covering the property described therein and recorded in Real Volume 160, Page 471 and another mortgage recorded in Real Volume 218, Page 319, being amended by instruments recorded in Real 300, Page 605 and Real 320, Page 430, all of the real property records in the Office of the Judge of Probate of Shelby County, Alabama, and further, Mortgagee has previously loaned to Chelsea Properties, Inc. ("Successor Developer") which is evidence by a promissory note executed by the Successor Developer in favor of Mortgagee, and is secured by a mortgage of even date therewith covering the property described therein and recorded in Instrument No. 1996-501 as recorded in the Office of the Judge of Probate of Shelby County, Alabama (all collectively referred to as the "Mortgage").

WHEREAS, Chelsea Properties, Inc. has agreed to sell Lot 50-A, according to the Resubdivision of Lots 48 through 57, High Chaparral, Sector B, and Acreage as shown in Map Book 16, Page 116, in the Probate Office of Shelby County, Alabama to Greenhill Construction, Inc. (hereinafter referred to as the "Borrower"); The Borrower has requested that WICKES MORTGAGE LENDING, INC. lend to it the sum of Two Hundred Eleven Thousand Two Hundred Sixty Six and No/100 Dollars (\$211,266.00) (the "Loan"), such loan to be evidenced by a promissory note dated May 16, 1997, executed by Borrower in favor of WICKES MORTGAGE LENDING, INC. and secured by a mortgage of even date therewith (the "New Mortgage") covering in whole or in part the property by the Mortgage; and

WHEREAS, WICKES MORTGAGE LENDING, INC. has agreed to make the Loan to the Borrower, if, but only if, the New Mortgage shall be and remain a lien or charge upon the property covered thereby prior and superior to the lien or charge of the Mortgage and provided that the Mortgagee will specifically and unconditionally subordinate the lien or charge of the Mortgage to the lien or charge of the New Mortgage of WICKES MORTGAGE LENDING, INC.

CLAYTON T. SWEENEY, ATTORNEY AT LAW

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NOW, THEREFORE, in consideration of one dollar and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, and in order to induce WICKES MORTGAGE LENDING, INC. to make the Loan above referred to, Mortgagee agrees as follows:

1. The New Mortgage, as recorded in Instrument# 1997- 17395, in the Office of the Judge of Probate of Shelby County, Alabama, and the note secured thereby and the debt evidenced by such note and any and all renewals and extensions thereof, or of any part thereof, and all interest payable on all of said debt and on any and all such renewals and extensions shall be and remain at all times a lien or charge on the property covered by the New Mortgage, prior and superior to the lien or charge of the Mortgage recorded in Real 160, Page 471; Real 218, Page 319 and amended in Real 300, Page 605 and amended in Real 320, Page 430; and Instrument #1996-501, in the Probate Office of Shelby County, Alabama, in favor of Mortgagee.

2. Mortgagee acknowledges that it intentionally waives, relinquishes, and subordinates the priority and superiority of the lien or charge of the Mortgage recorded in Instrument #1997-17395, in the Probate Office of Shelby County, Alabama, in favor of the lien or charge of the New Mortgage in favor of WICKES MORTGAGE LENDING, INC. and that it understands that in reliance upon and in consideration of this waiver, relinquishment, and subordination specific loans and advances are being and will be made and as a part and parcel thereof specific monetary and other obligations are being and will be entered into by WICKES MORTGAGE LENDING, INC. which would not be made or entered into but for such reliance upon this waiver, relinquishment and subordination.

3. This agreement contains the entire agreement between the parties hereto as to the loan secured by the Mortgage and the Loan secured by the New Mortgage, and the priority thereof, and there are no agreements, written or oral, outside or separate from this agreement, and all prior negotiations are merged into this agreement.

4. This agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

MORTGAGEE:
REGIONS BANK formerly known as
First Alabama Bank

BY: 

Its: Vice President

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that Charles Watkins whose name as Vice President of REGIONS BANK formerly known as FIRST ALABAMA BANK, a national banking association 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 said instrument, he/she as such officer and with full authority, executed the same voluntarily for and as the act of said REGIONS BANK.

Given under my hand and official seal this the 18th day of June, 1997.


Notary Public
My Commission Expires: 2/3/99

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