

STATE OF ALABAMA )  
COUNTY OF SHELBY )

### SUBORDINATION AGREEMENT

THIS AGREEMENT is made and entered into on this 27 day of October, 19 98  
by NBC- Birmingham (hereinafter referred to as "Mortgagee")  
in favor of National Bank of Commerce- Birmingham (hereinafter referred to as "NBC").

#### WITNESSETH:

WHEREAS, Mortgagee did loan to David M. McRae and Dawn M. McRae  
(the "Borrower"), whether one or more) the sum of \$10,000.00, which loan is  
evidenced by a note dated May 15, 1997, executed by Borrower in favor of  
Mortgagee, and is secured by a mortgage, deed of trust, security deed, deed to secure debt or  
other security instrument of even date therewith (the "Mortgage") covering the property  
described therein and recorded as Inst. # 1997-19347 in the Probate Office of  
SHELBY County, ALABAMA; and

WHEREAS, Borrower has requested that NBC lend to it the sum of \$ 103,000.00  
(the "Loan"), such loan to be evidenced by a promissory note in such amount executed by  
Borrower in favor of NBC and secured by a mortgage, deed of trust, deed to secure debt,  
security deed or other security instrument of even date therewith; and

WHEREAS, NBC has agreed to make the Loan to Borrower, if but only if NBC shall be  
and remain a lien or charge upon the property covered thereby prior and superior to the lien or  
charge of the Mortgage on the terms set forth below and provided that the Mortgagee will  
specifically and unconditionally subordinate the lien or charge of the Mortgage to the lien or  
charge of NBC on the terms set forth below.

NOW THEREFORE, in consideration of one dollar and other good and valuable  
consideration, the receipt and sufficiency of all of which is hereby acknowledged, and in order to  
induce NBC to make the Loan above referenced to, Mortgagee agrees as follows:

1. NBC and the note secured by NBC the debt evidenced by such note and any and  
all renewals and extensions thereof, or if 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 NBC, prior and superior to the lien or charge of the  
Mortgagee.

2. Mortgagee acknowledges that it intentionally waives, relinquishes and  
subordinates the priority and superiority of the lien or charge of the Mortgage in favor of the lien  
or charge of NBC, 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 part and parcel thereof, specific monetary and other obligations are being and will  
be entered into by NBC which would not be made or entered into but for such reliance upon this  
waiver, relinquishment and subordination.

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3. This agreement contains the entire agreement between the parties hereto as to the loan secured by the Mortgagee and the Loan secured by NBC, and as to 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 be binding upon the Mortgagee, its successors and assigns, and shall insure to the benefit of NBC, its successors and assigns.

5. No waiver shall be deemed to be made by NBC of any of its rights hereunder unless the same shall be in writing signed on behalf of NBC, and each such waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of NBC or the obligations of the Borrower or the Mortgagee to NBC hereunder in any other respect at any other time.

IN WITNESS WHEREOF, the Mortgagee has caused this instrument to be executed by its duly authorized officer on the day and date first set forth below.

**MORTGAGEE**

NBC - Birmingham

BY: David Nolen  
ITS: Vice-President

**STATE OF ALABAMA**  
**COUNTY OF SHELBY**

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that David Nolen, Vice-President of NBC-Birmingham whose name is signed to the foregoing Subordination Agreement, and who is known to me, acknowledged before me that, being informed of the contents of the Subordination Agreement, he/she as such officer and with full authority executed the same voluntarily and as the act of the corporation on the day the same bears date.

Given under my hand and seal of office this 27 day of October, 1998

Stacy K. Ray  
NOTARY PUBLIC  
COMMISSION EXPIRES

NOTARY PUBLIC STATE OF ALABAMA AT LARGE.  
MY COMMISSION EXPIRES: Mar. 31, 2002.  
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

**THIS INSTRUMENT WAS PREPARED BY:**

Kevin K. Hays, P.C.  
Attorney at Law  
200 Canyon Park Drive  
Pelham, Alabama 35124  
205-620-5670

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