

## SUBORDINATION AGREEMENT

STATE OF ALABAMA     )  
SHELBY COUNTY         )

This agreement dated this 3 day of January, 2001, is made by **REGIONS BANK** (hereinafter called the "Subordinate Mortgagee") in favor of **HOMEGOLD, INC.** (hereinafter called the "Superior Mortgagee")

### WITNESSETH:

**WHEREAS**, Subordinate Mortgagee is the holder of indebtedness secured by that certain Uniform Commercial Code – Financing Statement executed by **Jerry E. White (the "Debtor")** to **Regions Bank in the amount of \$11,860.79, filed for record July 18, 2000, in Instrument No. 2000-24093**, in the Office of the Judge of Probate of SHELBY COUNTY, Alabama (the "Junior Lien") and

**WHEREAS**, Superior Mortgagee has agreed to lend to the Mortgagors the sum of **\$202,000.00 (the "Superior Loan")** but on the condition that the Promissory Note evidencing such indebtedness be secured by a Mortgage and that the Mortgage securing such indebtedness be entitled to the rights afforded to a first mortgage on such property (the "Superior Mortgage"); and

**WHEREAS**, at the Debtor's and Superior Mortgagee's request, Subordinate Mortgagee has agreed to subordinate its Junior Lien to the Superior Mortgage.

**NOW, THEREFORE** in consideration of the mutual covenants and obligation set forth herein, and in consideration of the sum of One Dollar (\$1.00), the receipt and sufficiency of which are hereby acknowledged, Subordinate Mortgagee does hereby agree with Superior Mortgagee as follows:

1. Subordination. In order to induce Superior Mortgagee to make the Superior Loan and, at any time or from time to time, at Superior Mortgagee's option, to grant such extensions or renewals of the Superior Loan as Superior Mortgagee may deem advisable, Subordinate Mortgagee hereby subordinates the Junior Lien and all right, title and interest of the Subordinate Mortgagee in the property conveyed and transferred thereby to the Superior Mortgage, and all the right, title and interest in the property conveyed and transferred to the Superior Mortgagee thereby, and Subordinate Mortgagee further agrees that any existing or hereafter acquired or arising security interests, security title, or lien in or on the property conveyed or transferred by the Junior Lien are and at all times hereafter shall be and remain subordinate and inferior in priority to any security interest, security title or lien in or on such property in favor of Superior Mortgagee securing payment of the Superior Loan, including, without limitation, the Superior Mortgage; provided, that the subordination herein made is limited to the original principal amount of the Superior Loan, all interest thereon and all other sums secured by the Superior Mortgage (other than additional advances of principal to the

mortgagors, their heirs, personal representatives, successors or assigns), and provided further that it is a condition to the effectiveness of this Subordination Agreement that the Superior Mortgage must be recorded in due course in the Probate office named above.

2. Successors and Assigns. This Subordination Agreement shall be binding upon and shall inure to the benefit of Subordinate Mortgagee and Superior Mortgagee and their respective successors and assigns, but this agreement shall not inure to the benefit of any other third party.

3. Waiver of Notice and Acceptance. Notice of acceptance of this Subordination Agreement by Superior Mortgagee is hereby waived by Subordinate Mortgagee, and this Subordination Agreement and all of the terms hereof shall be immediately binding upon Subordinate Mortgagee from the date of execution and delivery hereof.

**IN WITNESS WHEREOF**, Subordinate Mortgagee, but its duly authorized officer, has executed this agreement on or as of the date first above written.

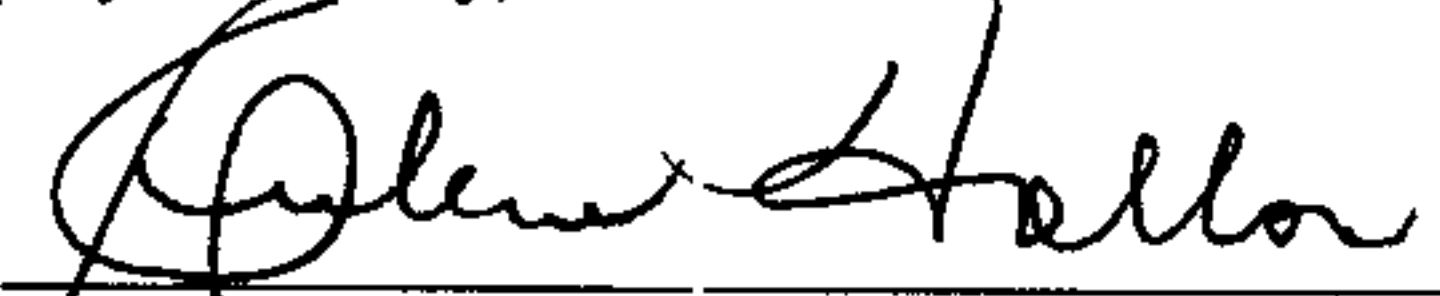
**REGIONS BANK**

By:   
Its: Loan Officer

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

I, the undersigned, a Notary Public in and for said State, hereby certify that Barry L. Bainbridge, whose name as Loan Officer of REGIONS BANK 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 REGIONS BANK.

Given under my hand and official seal this 31 day of January, 2001.

  
Notary Public  
My Commission expires: 4-5-2004

**This instrument was prepared by:**  
Patrick F. Smith, Attorney  
Strickland, Smith & Wagnon  
4 Office Park Circle, Suite 212  
Birmingham, Alabama 35223

**Inst # 2001-06025**  
**02/22/2001-06025**  
**08:24 AM CERTIFIED**  
**SHELBY COUNTY JUDGE OF PROBATE**