

This instrument prepared by:
James R. Moncus, Jr.
1313 Alford Avenue
Birmingham, Alabama 35226

STATE OF ALABAMA)

JEFFERSON COUNTY)

MORTGAGE SUBORDINATION AGREEMENT

THIS MORTGAGE SUBORDINATION AGREEMENT is entered into on this 22 day of October, 2001, by Union State Bank.

WITNESSETH:

WHEREAS, Union State Bank is the holder of that certain mortgage executed by Bruce McKee and Dale D. McKee (the "Mortgage") which mortgage is recorded in Real Volume 2000, Page 07918, in the Office of the Judge of Probate of Shelby County, Alabama (the "Union State Bank Mortgage"); and

WHEREAS, the Union State Bank Mortgage is subordinate to that certain mortgage in favor of Chase Manhattan Mortgage Corporation which mortgage is recorded in Real Volume 1997, Page 32158, in the Office of the Judge of Probate of Shelby County, Alabama (the "Chase Manhattan Mortgage"); and

WHEREAS, The Bank of Birmingham has agreed to lend to Bruce McKee and Dale D. McKee the sum of Nine Hundred Seventy Thousand and no/100 Dollars (\$970,000.00) to be used, among other things, to satisfy the Chase Manhattan Mortgage, but on the condition that the conventional loan be secured by a first mortgage (the "The Bank of Birmingham Mortgage"); and

WHEREAS, Union State Bank has agreed to subordinate its mortgage to the The Bank of Birmingham Mortgage.

NOW, THEREFORE, in consideration of the premises and Ten Dollars and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Union State Bank does hereby agree as follows:

1. Subordination. In order to induce The Bank of Birmingham to make the loan to Bruce McKee and Dale D. McKee, and at any time, or from time to time, at The Bank of Birmingham's option, to grant such renewals or extensions of said loan as it may deem advisable, Union State Bank hereby subordinates, in right of payment and claim, the Union State Bank Mortgage to the The Bank of Birmingham Mortgage and the debt secured thereby as described above, and Union State Bank further agrees that any existing or hereafter acquired or arising security interest, security title to, or lien against the property encumbered by the Union State Bank Mortgage in favor of Union State Bank securing the payment of the existing debt, including without limitation the Union State Bank Mortgage, shall be and at all times remain subordinate and inferior in priority to any security interest in, security title to or lien against such property in favor of the The Bank of Birmingham Mortgage securing payment of conventional loan, including without limitation the The Bank of Birmingham Mortgage.

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2. Successors and Assigns. This subordination agreement shall be binding upon, and shall inure to the benefit of, The Bank of Birmingham, and Union State Bank and their respective successors and assigns.

3. Waiver of Notice of Acceptance. Notice of acceptance by The Bank of Birmingham. of this subordination agreement is hereby waived by Union State Bank and this subordination agreement and all of the terms and conditions hereof shall be immediately binding upon Union State Bank from the date of the execution hereof.

IN WITNESS WHEREOF, Union State Bank by a duly authorized officer, has executed this agreement on or as of the date first above written.

Union State Bank

By: Charles Waldrop
Its: V.P.

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County and State, hereby certify that Charles Waldrop, whose name as Vice President of Union State 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 said instrument, (s)he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this the 22nd day of October, 2001.

Louise A. Perkins
Notary Public

My commission expires: MY COMMISSION EXPIRES APRIL 12, 2004

[SEAL]

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