

THIS INSTRUMENT PREPARED BY:

Frontier National Bank
43 N Broadway
Sylacauga, AL 35150

STATE OF ALABAMA
Talladega COUNTY

SUBORDINATION OF MORTGAGE

This Subordination of Note and Mortgage is executed this the 26th day of August, 2002, by Frontier National Bank, (herein called First Party), and Coats & Co., Inc, (herein called Second Party).

Whereas, First Party is the owner and holder of that certain mortgage recorded in Inst. #20020614000282330, in the Probate Office of Shelby County, Alabama, which mortgage encumbers the property described as follows:

Lot 8, in Block 7, according to the survey of Lincoln Park, as recorded in Map Book 3 Page 145, in the Probate Office of Shelby County, Alabama, being situated in Shelby County, Alabama

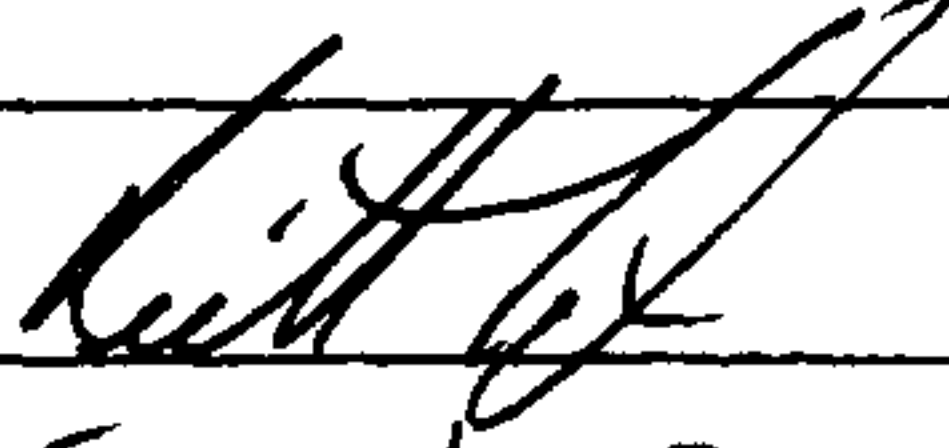
Whereas, Second Party, on May 22, 2002, made a mortgage loan to J. Drayton Smith III & Mallory S. Smith in the amount of \$ 193,500.00, secured by a mortgage on the above property, and;

Whereas, the Second Party will not make the said loan unless the First Party subordinates its mortgage to that mortgage to the Second Party.

Now therefore, in consideration of One Dollar and other good and valuable consideration, the parties hereto agree as follows:

The First Party, Frontier National Bank, consents and agrees that the lien of its mortgage recorded in 20020614000282330, is and shall continue to be, subject and subordinate in lien to the lien of the mortgage being made to the Second Party, Coats & Co., Inc, which mortgage is recorded in 20020625000298500, in the said Probate Office.

Done this 26th day of August, 2002.

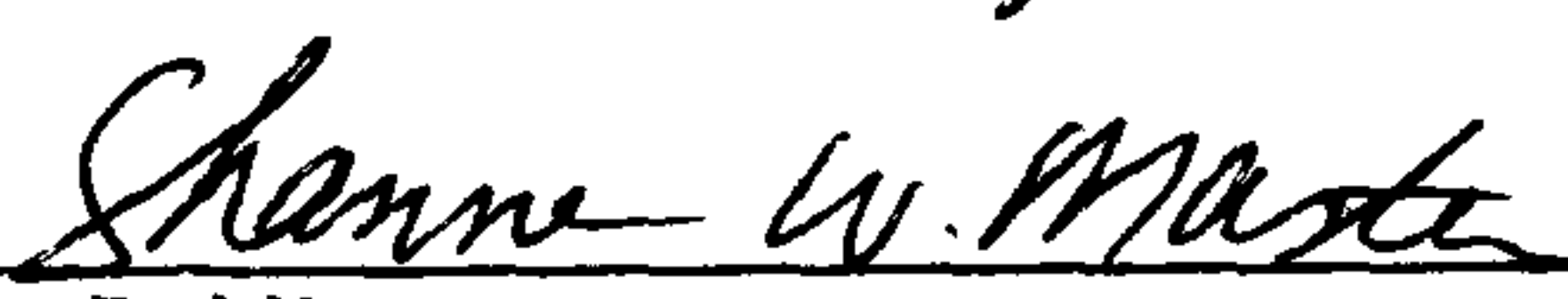
BY: 

Its Senior Vice President

STATE OF ALABAMA
COUNTY OF Talladega

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Keith Taylor, whose name as Senior Vice Pres. of Frontier National Bank, a corporation, 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 corporation.

Given under my hand and official seal, this the 26th day of August, 2002.


Notary Public

MY COMMISSION EXPIRES MARCH 14, 2005