

STATE OF ALABAMA
COUNTY OF SHELBY

SUBORDINATION AGREEMENT

THIS AGREEMENT is made and entered into on this 21st day of May, 2003, by SouthTrust Bank (hereinafter referred to as Mortgagee) in favor of First Federal of the South, its successors and assigns (hereinafter referred to as FFS).

WITNESSETH:

WHEREAS, Mortgagee did loan to Mark F. Newman (the Borrower, whether one or more), the sum of \$ 19,000.00, which loan is evidenced by a Note dated 03/19/1998 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 in the Probate Office of SHELBY County, Alabama, as Instrument # 2001-22865; and

WHEREAS, Borrower has requested that FFS lend to it the sum of \$ 155,000.00 (the Loan), such loan to be evidenced by a Promissory Note in such amount executed by Borrower in favor of FFS and secured by a Mortgage Deed of Trust, Deed to Secure Debt, Security Deed or other security instrument of even date therewith; and

WHEREAS, FFS has agreed to make the Loan to Borrower, if but only if FFS 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 FFS on the terms set forth below.

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

1. FFS and the Note secured by FFS and 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 all such renewals and extensions shall be and remain at all times a lien or charge on the property covered by FFS, 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 FFS, 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 a part and parcel thereof, specific monetary and other obligations are being and will be entered into by FFS 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 Mortgagee and the Loan secured by FFS, 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 FFS, its successors and assigns.
- 5. No waiver shall be deemed to be made by FFS of any of its rights hereunder unless the same shall be in writing signed on behalf of FFS, 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 FFS or the obligations of the Borrower or the Mortgagee to FFS 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 office on the day and date first set forth below.



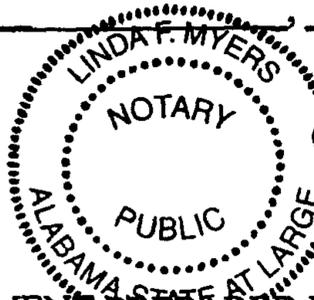
MORTGAGEE
SouthTrust Bank

BY: [Signature]
ITS: [Signature]

State of ALABAMA
County of JEFFERSON

I, the undersigned, a Notary Public in and for said county and in said state, hereby certify that John R. Day as Group VP 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 21st day of May 2003.



[Signature]
NOTARY PUBLIC

Commission Expires: MY COMMISSION EXPIRES MAY 30, 2005

THIS INSTRUMENT PREPARED BY:
KEVIN HAYS & ASSOCIATES, P.C.
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