

SUBORDINATION AGREEMENT

State of Alabama
County of Jefferson

This Agreement is made and entered into on this 12th day of August, 2003 by Mutual Savings Credit Union (hereinafter referred to as the "Mortgagee") in favor of Terrace Mortgage Company, its successors and assigns (hereinafter referred to as "TMC").

WITNESSETH:

WHEREAS, Mortgagee did loan to Edmond J. O'Connor and Betty W. O'Connor ("Borrower") the sum of \$ 70,000.00, executed by Borrower in favor of Mortgagee, and secured by a mortgage of even date therewith (the "Mortgage") covering the property described therein and recorded in Instrument #20030807000516720, of the real property records in the Office of the Judge of Probate of Shelby County, Alabama; and

WHEREAS, Borrower has requested that TMC lend to it the sum of Two Hundred Ninety-Six Thousand, Five Hundred & no/100 DOLLARS (\$ 296,500.00) (the "Loan"), such loan to be evidenced by a promissory note dated August 8, 2003 executed by Borrower in favor of TMC and secured by a mortgage of even date therewith (the "New Mortgage") covering in whole or in part the property covered by the Mortgage; and

WHEREAS, TMC has agreed to make the Loan to the Borrower if, but only if, the New Mortgage shall be and remain a lien or charge upon the property covered thereby proper and superior to the lien or charge of the Mortgage and provided that the Mortgagee will specifically and unconditionally subordinate the lien or charge of the Mortgage to the lien or charge of the New Mortgage of TMC

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

1. The New Mortgage and the note secured thereby and the debt evidenced by such note and any and all renewals and extensions thereof, or of 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 the New Mortgage, prior and superior to the lien or charge of the Mortgage in favor of Mortgagee.

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 GLOBAL LENDING
 WILLIAM HALBROOKS
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 Shelby Cnty Judge of Probate, AL
 08/21/2003 14:03:00 FILED/CERTIFIED

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 the New Mortgage in favor of TMC, 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 TMC 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 Mortgage and the Loan secured by the New Mortgage, and the property 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 inure to the benefit of and be binding upon the successors and assigns of the parties.

MORTGAGEE
 Mutual Savings Credit Union

By: [Signature]
 Its Vice-President of Lending

State of Alabama
 County of Jefferson

I, the undersigned authority, a Notary Public in and for said county, in said state, hereby certify that David L. Williamson, whose name as Vice President of Lending of Mutual Savings Credit Union 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, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said Mutual Savings Credit Union.

Given under my hand and official seal this the _____ day of
 August 12, 20 03

[Signature]
 Notary Public

My commission expires: 3-18-07

This instrument prepared by: William H. Halbrooks, #1 Independence Plaza, Suite 704, Birmingham, Alabama 35209