

## SUBORDINATION AGREEMENT

STATE OF ALABAMA  
COUNTY OF JEFFERSON

This Subordination Agreement, made and entered into on this the 29<sup>th</sup> day of DECEMBER, 2004, by and between: REGIONS BANK, as party of the First Part and HERITAGE BANK, party of the Second Part.

### WITNESSETH:

That, Whereas, MICHAEL P. HARMON AND SHANNON R. HARMON, have an outstanding lien in favor of: REGIONS BANK recorded in the Probate Office of SHELBY County, Alabama, as recorded in INSTRUMENT #20020621000293270 to secure an indebtedness of \$27,900.00 on certain real estate described therein and said lien is in full force and effect; and,

Whereas, MICHAEL P. HARMON AND SHANNON R. HARMON made an application to the Party of the Second Part for a loan in the sum of \$148,700.00 and said Party of the Second Part is willing to make said loan to the said MICHAEL P. HARMON AND SHANNON R. HARMON, provided they furnish it with a mortgage on the lands described in the aforesaid lien, and the said Party of the First Part subordinate the above-described lien and make the same second and subservient to the mortgage of HERITAGE BANK, and,

Whereas, the said Party of the First Part is willing to subordinate its said lien and make the lien second and subservient to the mortgage of the said Party of the Second Part as an inducement to it to make said loan.

Now, Therefore, in consideration of the premises and the further consideration of the sum of \$1.00, cash, in hand paid, the Party of the First Part by the Party of the Second Part, the receipt of which is hereby acknowledge, the said Party of the First Part does hereby agree that the lien of REGIONS BANK recorded in Probate Office of SHELBY County, Alabama, as recorded in INSTRUMENT #20020621000293270, shall be subordinate to the mortgage of HERITAGE BANK, IT IS FURTHER agreed that should MICHAEL P. HARMON AND SHANNON R. HARMON default in the payments under the terms of the real estate mortgage to Party of the Second Part, the said Lender agrees to notify Party of the First Part of said default prior to taking legal action.

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IN WITNESS WHEREOF, the said Party of the First Part has caused its name to be hereunto signed on this the 27<sup>th</sup> day of DECEMBER, 2004.

REGIONS BANK

BY: [Signature]

Its: Branch Manager

STATE OF ALABAMA  
COUNTY OF JEFFERSON

I, the undersigned, a Notary Public in and for said county and state, hereby certify that John Collier whose named as Branch Manager of REGIONS BANK, a corporation is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that being informed of the contents of the conveyance, the same was executed voluntarily and with full authority on the day the same bears date.

Given under my hand and official seal on this 27<sup>th</sup> day of DECEMBER, 2004.

[Signature]

Notary Public

Commission Expires:

Commission Expires  
June 15, 2006

Prepared By: Moseley & Associates, P.C. 3800 Colonnade Parkway, Suite 630, Birmingham, Alabama 35243