

STATE OF ALABAMA)
COUNTY OF SHELBY)

20050725000371970 1/5 \$23.00
Shelby Cnty Judge of Probate, AL
07/25/2005 03:25:25PM FILED/CERT

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "Agreement") is made and entered into as of the 1st day of July, 2005 by and among HPH PROPERTIES, LLC, an Alabama limited liability company ("Borrower"), GREYSTONE BRANCH, LLC, an Alabama limited liability company ("Creditor"), and SOUTHTRUST BANK, an Alabama banking corporation (the "Bank").

RECITALS:

Creditor is the holder of that certain Purchase Money Mortgage (the "Purchase Money Mortgage") dated as of July 1, 2005 executed by Borrower in favor of Creditor which has been recorded as Instrument # _____ in the Office of the Judge of Probate of Shelby County, Alabama (the "Probate Office").

Borrower has obtained from the Bank a loan in the principal amount of \$4,000,000.00 which is secured by a Mortgage AND SECURITY AGREEMENT dated July 1, 2005 (the "Bank Mortgage") which has been recorded as Instrument # _____ in the Probate Office.

Pursuant to the terms and provisions of the Purchase Money Mortgage, Creditor has agreed to subordinate the lien of the Purchase Money Mortgage to the lien of the Bank Mortgage subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Subordination. Creditor hereby agrees with the Bank that the lien of the Purchase Money Mortgage and all sums now or hereinafter owing to Creditor pursuant thereto are and shall be subject, subordinate and rendered junior in rights of payment, priority and in all other respects to the prior payment in full and priority of all obligations now existing or hereafter owing to the Bank pursuant to the Bank Mortgage including, without limitation, all amounts secured by the Bank Mortgage for the repayment of principal, interest, fees (including, without limitation, reasonable attorneys' fees and disbursements), expenses and protective advances (collectively, the "Bank Loan Obligations"); provided, however, that notwithstanding anything provided in this Agreement to the contrary, the maximum amount of the Bank Loan Obligations to which Creditor and its Purchase Money Mortgage shall be subordinated to hereunder shall not exceed Three Hundred Twelve Thousand Dollars (\$312,000.00) (the "Maximum Loan Amount").

2. Payments Under Purchase Money Mortgage. Until the sale by Borrower of any portion of the real property encumbered by the Purchase Money Mortgage to an independent, third party purchaser in an arms-length transaction (a "Sales Event"), Creditor acknowledges and agrees that it will not be entitled to receive any payments due to it which may be secured by the Purchase Money Mortgage. Borrower and Creditor further acknowledge and agree that until the occurrence of a Sales Event, no payments shall be made by Borrower to Creditor under any underlying documents or agreements which are secured by the Purchase Money Mortgage. Creditor further agrees that, in the event of its receipt of any payment in violation of the foregoing terms and provisions, such payment will be received on behalf of and held in trust for the Bank and Creditor agrees to promptly pay over or deliver such payment to the Bank.

3. Amendments to Mortgage.

(a) Without the prior written consent of the Bank, Borrower and Creditor agree that no amendment or modification shall be made to the Purchase Money Mortgage which (i) increases the principal amount secured thereby, (ii) alters the repayment terms thereof, (iii) alters the collateral encumbered by the Purchase Money Mortgage (other than partial releases contemplated by the Purchase Money Mortgage) or (iv) results in any material changes to the Purchase Money Mortgage that may adversely affect the Bank or the security interests of the Bank in the Bank Mortgage.

(b) Without the prior written consent of Creditor, Borrower and the Bank agree that no amendment or modification shall be made to the Bank Mortgage which (i) increases the principal amount thereof in excess of the Maximum Loan Amount, (ii) alters the repayment terms thereof, (iii) alters the collateral encumbered by the Bank Mortgage (other than partial releases contemplated by the Bank Mortgage), or (iv) results in any other material changes to the Bank Mortgage that may adversely affect the Creditor or the Creditor's rights under the Purchase Money Mortgage.

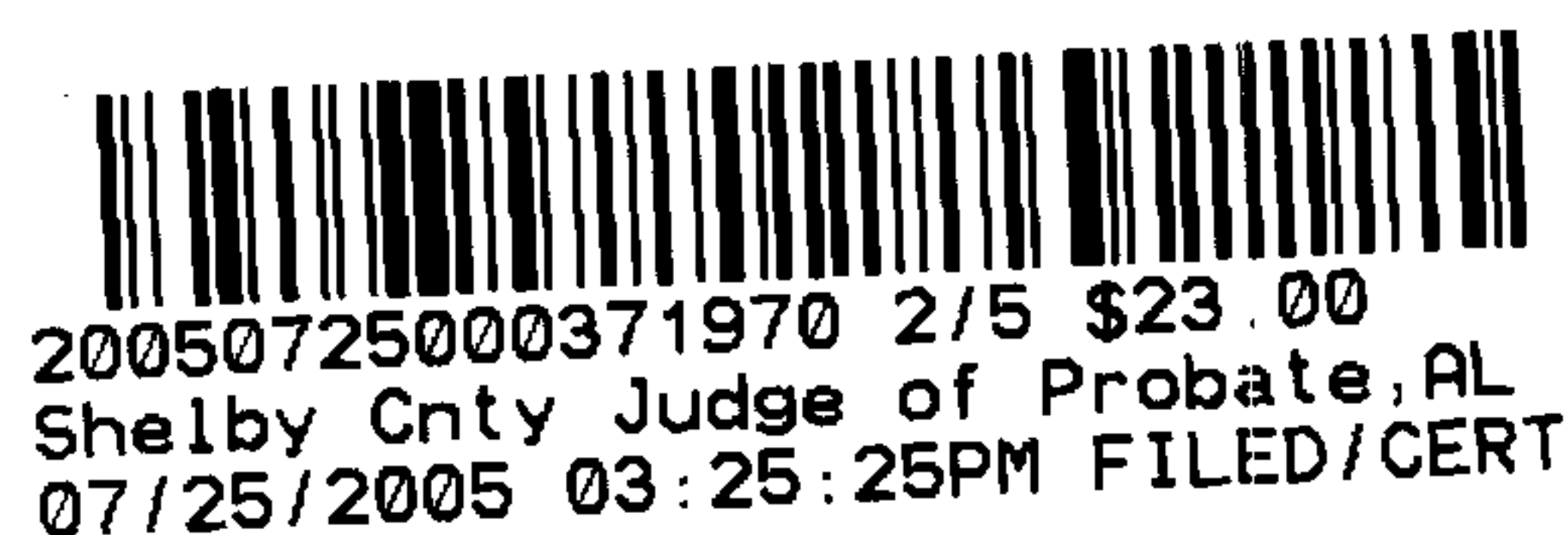
4. Term. This Agreement shall remain in full force and effect until such time as the indebtedness owing by Borrower to Bank and secured by the Bank Mortgage has been paid in full.

5. Miscellaneous.

(a) Any and all notices required or permitted to be given to the parties hereto shall be given to each of them in the manner set forth in the Purchase Money Mortgage and the Bank Mortgage, respectively.

(b) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(c) This Agreement may be modified only by an agreement in writing signed by Borrower, Creditor and the Bank.



(d) This Agreement shall constitute a continuing agreement of subordination and shall survive until the expiration of the term of this Agreement as provided above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

HPH PROPERTIES, LLC, an Alabama limited liability company

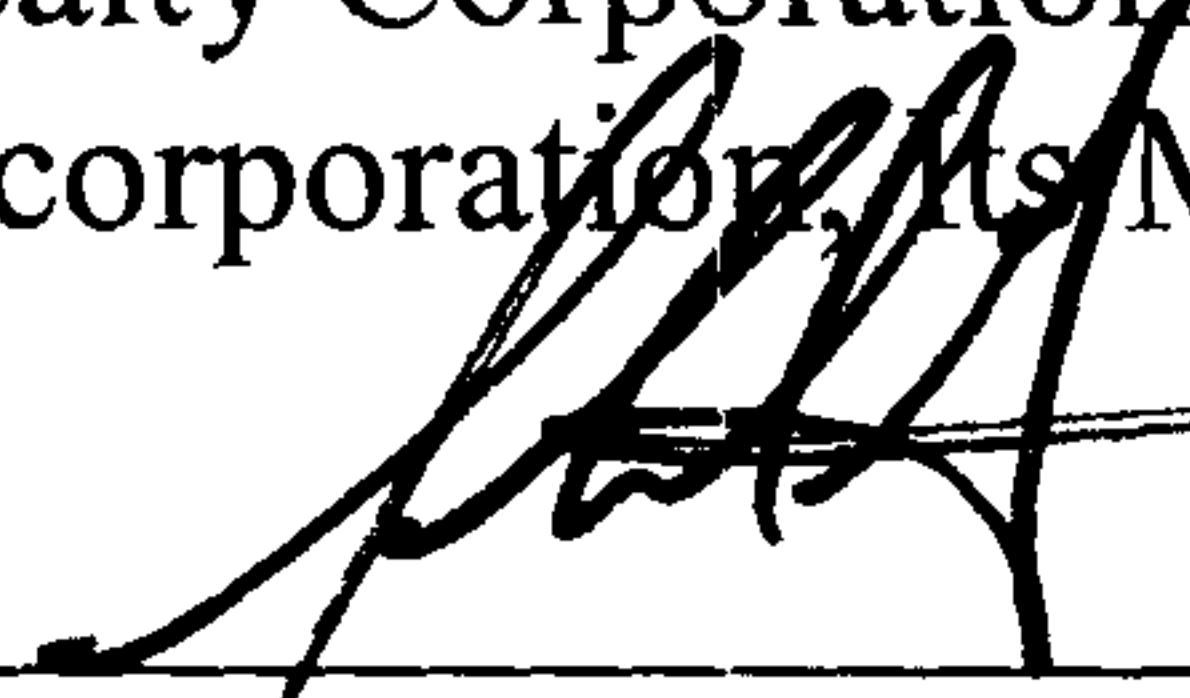
By: HPHB LLC, Its Sole Member

By: 
Its Manager

GREYSTONE BRANCH, LLC, an Alabama limited partnership


By: Daniel Realty Company, LLC, an Alabama limited liability company, Its Sole Member

By: Daniel Realty Corporation, an Alabama corporation, Its Manager

By: 
Its: SE VP

SOUTHTRUST BANK, an Alabama banking corporation

By: _____
Its: _____


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STATE OF ALABAMA)
 :
SHELBY COUNTY)

I, the undersigned, a notary public in and for said county in said state, hereby certify that Alan C. Howard, whose name as Manager of HPHB, LLC, an Alabama limited liability company, as the sole member of HPH Properties, LLC, an Alabama limited liability company, 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, as such Manager and with full authority, executed the same voluntarily for and as the act of the aforesaid limited liability company.

Given under my hand and official seal this 1st day of July, 2005.

Chris Tortorelli
Notary Public
My commission expires: March 3, 2008

[NOTARIAL SEAL]

STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that JOHN D. GUNDERSON whose name as SENIOR VICE PRESIDENT of Daniel Realty Corporation, an Alabama corporation, as manager of Daniel Realty Company, LLC, an Alabama limited liability company, as the sole member of Greystone Branch, LLC, an Alabama limited liability company, 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, as such officer and with full authority, executed the same voluntarily on the day the same bears date for and as the act of such corporation in its capacity as manager of Daniel Realty Company, LLC, as the sole member of Greystone Branch, LLC.

Given under my hand and official seal this 1st day of July, 2005

Chris Tortorelli
Notary Public
My commission expires: March 3, 2008

[NOTARIAL SEAL]

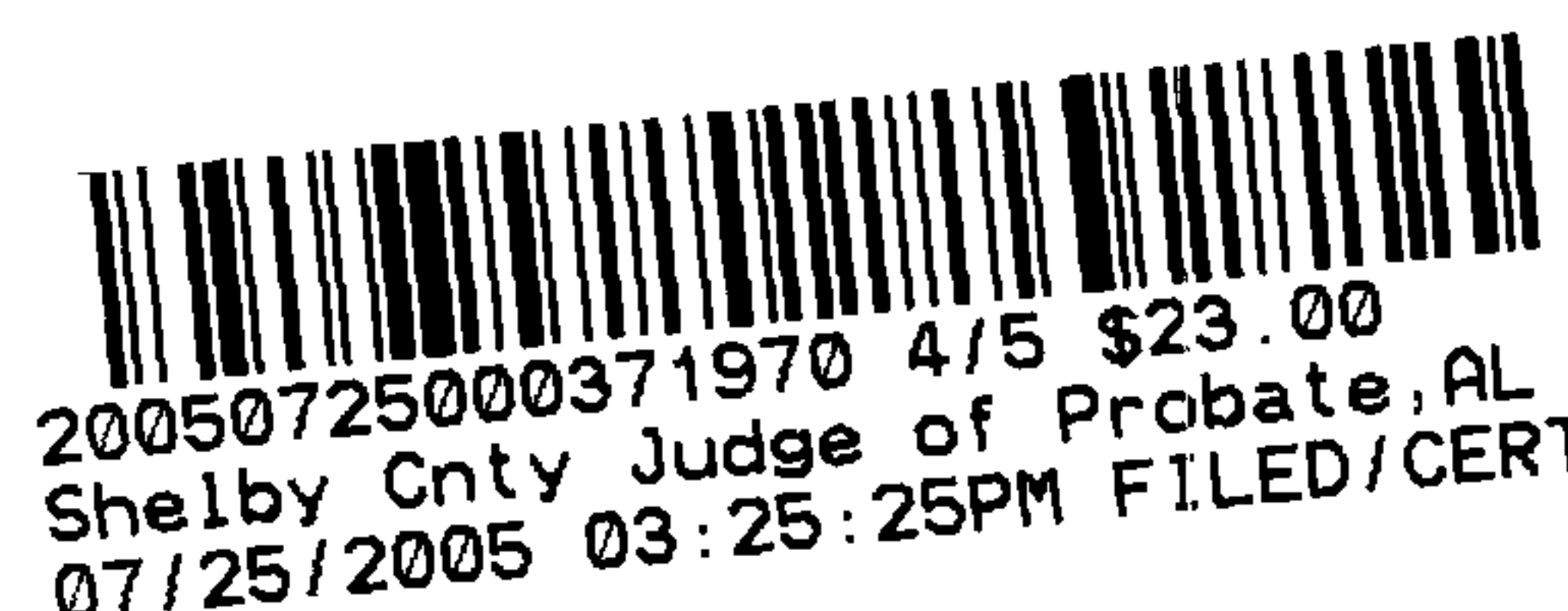
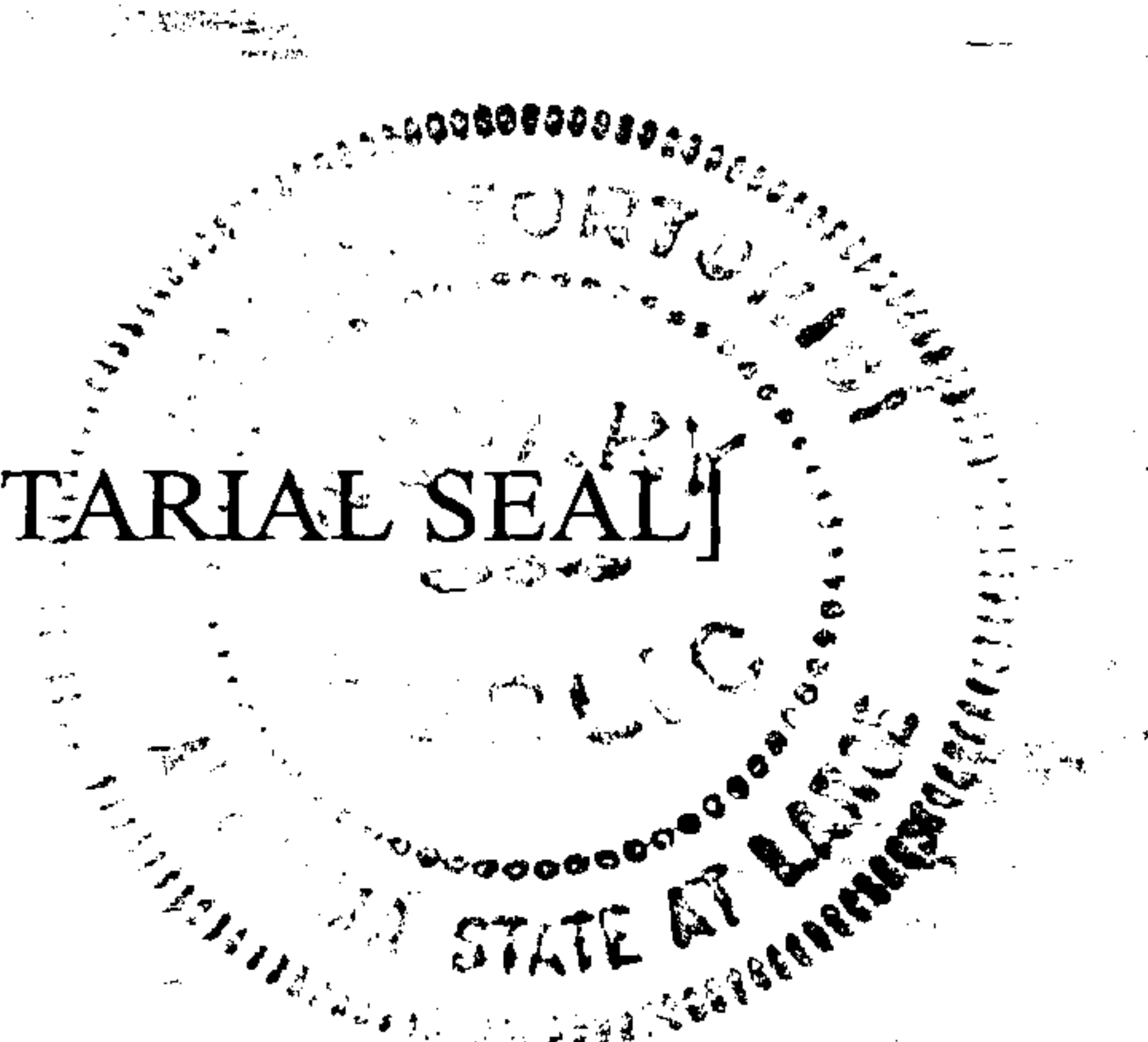



EXHIBIT A

Lot 18, according to the Survey of The Parc at Greystone, as recorded in Map Book 32, Page 42 A, B and C, in the Probate Office of Shelby County, Alabama.


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