20051024000551710 1/1 $11.00
Shelby Cnty Judge of Probate,AL
10/24/2005 01:16:34PM FILED/CERT

SUBORDINATION AGREEMENT

STATE OF ALABAMA
COUNTY OF SHELBY

This Subordination Agreement made and entered into on this the 13th day of October, 2005, by and between: Red Mountain Bank, N.A, as party of the First Part and Branch Banking and Trust Company party of the Second Part.

WITNESSETH:

That, Whereas, Donald Allen Reed and Tracy H. Reed have an outstanding lien in favor of: Red Mountain Bank, N. A, dated the 10th day of October, 2004, and recorded in the Probate Office of Shelby County, Alabama, on October 15, 2004 under instrument number 20041015000571340 therein to secure an indebtedness of $195,000, and said lien is in full force and effect; and,

Whereas, Donald Allen Reed and Tracy H. Reed made an application to the Party of the Second Part for a loan in the sum of $650,000.00 and said Party of the Second Part is willing to make said loan to Donald Allen Reed and Tracy H. Reed, 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 Branch Banking and Trust Company ; 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 Red Mountain Bank, N. A, dated the 10th day of October, 2004, and recorded in the Probate Office of Shelby County, Alabama, on October 15, 2004 under instrument number 20041015000571340 therein to secure an indebtedness of $195,000, shall be subordinate to the mortgage of Branch Banking and Trust Company..

IT IS FURTHER agreed that should Donald Allen Reed and Tracy H. Reed 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.

IN WITNESS WHEREOF, the said Party of the First Part has caused its name to be hereunto signed on this the 13th day of October, 2005.

BY: Tracy Corcoran
Tracy Corcoran, AVP
Private Banking

STATE OF ALABAMA
COUNTY OF Shelby

I, the undersigned, a Notary Public in and for said county and state, hereby certify that Tracy Corcoran whose named as AVP of Red Mountain Bank, 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 on the day the same bears date.

Given under my hand and official seal on this 13th day of October, 2005.

Kathy L. Ammons
Notary Public Kathy L. Ammons
Commission Expires:

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Mar 23, 2006
BONDED THRU NOTARY PUBLIC UNDERWRITERS

Alan Reed