


STATE OF ALABAMA

SHELBY COUNTY


20120209000048610 1/16 \$57.00
Shelby Cnty Judge of Probate, AL
02/09/2012 11:38:30 AM FILED/CERT

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "Agreement") is entered into this 8th day of February, 2012, by and among (i) **BANK INDEPENDENT**, an Alabama banking corporation, in its capacity as provider of that certain First Mortgage Loan described below (the "First Lender"), (ii) **ALABAMA HOUSING FINANCE AUTHORITY**, a public corporation and instrumentality of the State of Alabama, acting solely in its capacity as Administrator of the State of Alabama's HOME Investment Partnerships Program (the "Second Lender"), (iii) **BANK INDEPENDENT**, an Alabama banking corporation, in its capacity as provider of that certain Third Mortgage Loan described below, (the "Third Lender"), and (iv) **THE SHOALS MILL DEVELOPMENT, LTD.**, an Alabama limited partnership (the "Borrower").

Recitals

A. The First Lender made a construction loan to the Borrower in the original principal amount of \$5,053,636 and has converted or is converting the construction loan to a term loan in the principal amount of \$225,000 (the "First Mortgage Loan"). The First Mortgage Loan is secured by a first Mortgage, together with an Assignment of Rents and Leases (the "First Mortgage") on a multifamily housing project located in Columbiana, Shelby County, Alabama (the "Property"). The Property is more fully described in Exhibit A attached hereto. The Borrower's obligation to repay the First Mortgage Loan is evidenced by a Promissory Note dated December 16, 2010 (as amended, the "First Mortgage Note").

B. The Second Lender has made or is making a subordinate loan to the Borrower in the original principal amount of \$1,641,130 (the "Second Mortgage Loan"). The Second Mortgage Loan is or will be secured by a Mortgage and Security Agreement together with an Assignment of Leases and Rents (collectively, the "Second Mortgage") against the Property. The Borrower's obligation to repay the Second Mortgage Loan is evidenced by a Promissory Note dated February 8, 2012 together with all addenda (the "Second Mortgage Note"), and is due in full on February 8, 2032.

C. The Third Lender has made or is making a subordinate loan under the Federal Home Loan Bank's Affordable Housing Program in the original principal amount of \$210,000.00 (the "Third Mortgage Loan") to Chimney Peak Development Corporation, an Alabama nonprofit corporation ("Chimney Peak"). Chimney Peak has then made or will make a loan in the maximum principal amount of \$210,000 to the Borrower. The Third Mortgage Loan is secured by an Assignment of Notes and Mortgage as Security in favor of Third Lender (the "Third Mortgage Assignment") in connection with that certain Mortgage and Security Agreement ("Chimney Peak Mortgage" together with the Third Mortgage Assignment, the "Third Mortgage") on the property from Borrower to Chimney Peak. The Borrower's obligation to repay the Third Mortgage Loan is evidenced by a Promissory Note dated January 11, 2012, together with all addenda (the "Third Mortgage Note").

D. The First, Second and Third Lender desire hereby to establish the relative priorities of their Mortgages and Mortgage Loans.

NOW, THEREFORE, in order to induce the First Lender to convert the First Mortgage Loan from a construction loan to a term loan, and the Second Lender to make the Second Mortgage Loan to

Borrower and to confirm and specify the terms and conditions under which the Second Mortgage Loan and Third Mortgage Loan are subordinate to the First Mortgage Loan, and the terms and conditions under which the Third Mortgage Loan is subordinate to the Second Mortgage Loan and in consideration thereof, the First Lender, the Second Lender, Third Lender and the Borrower agree as follows:

1. Definitions.

In addition to the terms defined in the Recitals to this Agreement, for purposes of this Agreement the following terms have the respective meanings set forth below:

“Affiliate” means, when used with respect to a Person, any corporation, partnership, joint venture, trust or individual controlled by, under common control with, or which controls such Person (the term “control” for these purposes shall mean the ability, whether by the ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to make management decisions on behalf of, or independently to select the manager partner of, a partnership, or otherwise to have the power independently to remove and then select a majority of those individuals exercising managerial authority over an entity, and control shall be conclusively presumed in the case of the ownership of 50% or more of the equity interests).

“Borrower” means the Person named as such in the first paragraph of this Agreement and any other Person (other than the First Lender) who acquires title to the Property after the date of this Agreement.

“Business Day” means any day other than Saturday, Sunday, a day on which the First Lender is not open for business, or a day that the Second Lender’s general business offices are not open for business.

“First Lender” means the Person named as such in the first paragraph of this Agreement, and any other Person who becomes the legal holder of the First Mortgage Note, after the date of this Agreement.

“First Mortgage Loan Default” means a default by the Borrower in performing or observing any of the terms, covenants or conditions in the First Mortgage Loan Documents to be performed or observed by it, which continues beyond any applicable grace or notice period provided in the First Mortgage Loan Documents for curing the default.

“First Mortgage Loan Documents” means the First Mortgage Note, the First Mortgage and all other documents evidencing or securing the First Mortgage Loan.

“Land Use Restrictive Covenants” means the documents described in Exhibit B attached hereto.

“Person” means an individual, estate, trust, partnership, limited liability company, corporation, governmental department or agency or any other entity which has the legal capacity to own property.

“Second Lender” means the Person named as such in the first paragraph of this Agreement and any other Person who becomes the legal holder of the Second Mortgage Note after the date of this Agreement.

“Second Mortgage Loan Default” means a default by the Borrower in performing or observing any of the terms, covenants or conditions in the Second Mortgage Loan Documents to be performed or observed by it, which continues beyond any applicable grace or notice period provided in the Second Mortgage Loan Documents for curing the default.

“Second Mortgage Loan Documents” means the Second Mortgage Note, the Second Mortgage and all other documents evidencing and securing the Second Mortgage Loan.

“Third Lender” means the Person named as such in the first paragraph of this Agreement and any other Person who becomes the legal holder of the Third Mortgage Note after the date of this Agreement.

“Third Mortgage Loan Default” means a default by the Borrower in performing or observing any of the terms, covenants or conditions in the Third Mortgage Loan Documents to be performed or observed by it, which continues beyond any applicable grace or notice period provided in the Third Mortgage Loan Documents for curing the default.

“Third Mortgage Loan Documents” means the Third Mortgage Note, the Third Mortgage and all other documents evidencing and securing the Third Mortgage Loan.

2. Second and Third Mortgages as Mortgage Liens Against Property.

The First Lender agrees, subject to the provisions of this Agreement, to the recording of the Second Mortgage and Third Mortgage against the Property to secure the Borrower’s obligation to repay the Second Mortgage Note and Third Mortgage Note, respectively, and the Second Lender consents to the recording of the Third Mortgage to secure the Borrower’s obligation to repay the Third Mortgage Note. Such agreement by the First Lender is subject to the condition that each of the representations and warranties made by the Borrower in Section 4 is true and correct on the date of this Agreement and, with respect to any proceeds not disbursed to the Borrower on the date of this Agreement, as of the date on which such proceeds of the Second Mortgage Loan and Third Mortgage Loan are disbursed to the Borrower. If any of the representations and warranties made by the Borrower in Section 4 are not true and correct on both of those dates, the provisions of the First Mortgage Loan Documents applicable to unpermitted liens on the Property shall apply.

3. Land Use Restrictive Covenants.

All parties hereto acknowledge and agree that the Second Lender’s Land Use Restrictive Covenants have been recorded, and thus constitute a lien superior in all respects to that of the First Mortgage, Second Mortgage and Third Mortgage.

4. Borrower’s Representations and Warranties.

The Borrower represents and warrants to the First Lender and the Second Lender that Borrower has delivered to the First Lender and Second Lender an executed copy of the Third Mortgage Loan Documents, certified to be true, correct and complete.

5. Terms of Subordination.

The First Lender, the Second Lender and the Third Lender agree that (i) the indebtedness evidenced by the Second Mortgage Loan Documents is hereby subordinated in right of payment, to the

extent and in the manner provided in this Agreement, to the prior payment in full of the indebtedness evidenced by the First Mortgage Loan Documents, (ii) the indebtedness evidenced by the Third Mortgage Loan Documents is hereby subordinated in right of payment, to the extent and in the manner provided in this Agreement, to the prior payment in full of the indebtedness evidenced by the First Mortgage Loan Documents and the Second Mortgage Loan Documents, in that order, (iii) the Second Mortgage is hereby subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage and to all advances heretofore made or which may hereafter be made pursuant to the First Mortgage for the purposes of (a) protecting or further securing the lien of the First Mortgage, curing defaults by the Borrower under the First Mortgage Loan Documents or for any other purpose expressly permitted by the First Mortgage, or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property; provided, however, without the written approval of the Second Lender, the Second Lender's interests will not be subordinated to the extent that the aggregate of such advances (exclusive of advances for taxes, insurance, and accrued interest) exceeds twenty-five percent (25%) of the original principal amount of the First Mortgage Loan and (iv) the Third Mortgage is hereby subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Mortgage and Second Mortgage and to all advances heretofore made or which may hereafter be made pursuant to the First Mortgage and Second Mortgage for the purposes of (a) protecting or further securing the lien of the First Mortgage and/or Second Mortgage, curing defaults by the Borrower under the First Mortgage Loan Documents and/or Second Mortgage Loan Documents or for any other purpose expressly permitted by the First Mortgage or Second Mortgage, or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property.

6. Default Under the Second and Third Mortgage Loan Documents.

(a) Notice of Default and Cure Rights. The Second Lender agrees to deliver a written notice of each Second Mortgage Loan Default to the First Lender and Third Lender after it has knowledge of the occurrence of a Second Mortgage Loan Default for which written notice is given to the Borrower or which would entitle the Second Lender to accelerate the Second Mortgage Loan or foreclose the Second Mortgage. The First Lender and the Third Lender shall have the right, but not the obligation, to cure any Second Mortgage Loan Default within the same time period for curing a default which is given to the Borrower under the Second Mortgage Loan Documents but in all events not less than thirty (30) days after receipt of such notice.

The Third Lender agrees to use commercially reasonable efforts to deliver a written notice of each Third Mortgage Loan Default to the First Lender and Second Lender after it has knowledge of the occurrence of a Third Mortgage Loan Default for which written notice is given to the Borrower or which would entitle the Third Lender to accelerate the Third Mortgage Loan or foreclose the Third Mortgage. The First Lender and Second Lender shall each have the right, but not the obligation, to cure any Third Mortgage Loan Default within the same time period for curing a default which is given to the Borrower under the Third Mortgage Loan Documents but in all events not less than thirty (30) days after receipt of such notice.

(b) Cross Default. The Borrower agrees, and the Second Lender acknowledges, that a Second and Third Mortgage Loan Default shall constitute a default under the First Mortgage Loan Documents and Third Mortgage Loan Documents, and the First Lender and Third Lender shall have the right to exercise all rights or remedies under the First Mortgage Loan Documents and Third Mortgage Loan Documents respectively, in the same manner as in the case of any other default thereunder. If at any time the Borrower cures any Second Mortgage Loan Default to the satisfaction of the Second Lender, any default under the First Mortgage Loan Document and Third Mortgage Loan Document arising from such Second Mortgage Loan Default shall be deemed cured and the First Mortgage Loan

and Third Mortgage Loan shall be retroactively reinstated as if such Second Mortgage Loan Default had never occurred.

The Borrower agrees, and the Third Lender acknowledges, that a Third Mortgage Loan Default shall constitute a default under the First Mortgage Loan Documents and the Second Mortgage Loan Documents, and the First Lender and Second Lender shall each have the right to exercise all rights or remedies under the First Mortgage Loan Documents and the Second Mortgage Loan Documents, respectively, in the same manner as in the case of any other default thereunder. If at any time the Borrower cures any Third Mortgage Loan Default to the satisfaction of the Third Lender, any default under the First Mortgage Loan Document and the Second Mortgage Loan Document arising from such Third Mortgage Loan Default shall be deemed cured and the First Mortgage Loan and Second Mortgage Loan shall be retroactively reinstated as if such Third Mortgage Loan Default had never occurred.

7. Default Under First Mortgage Loan Documents.

(a) Notice of Default and Cure Rights. The First Lender agrees to deliver a written notice of each First Mortgage Loan Default to the Second Lender and Third Lender after it has knowledge of the occurrence of a First Mortgage Loan Default for which written notice is given to the Borrower or which would entitle the First Lender to accelerate the First Mortgage Loan or foreclose the First Mortgage. The Second Lender and Third Lender shall each have the right, but not the obligation, to cure any First Mortgage Loan Default within the same time period for curing a default which is given to the Borrower under the First Mortgage Loan Documents but in all events not less than thirty (30) days after receipt of such notice.

(b) Cross Default. The Borrower agrees, and the First Lender acknowledges, that a First Mortgage Loan Default shall constitute a default under the Second Mortgage Loan Documents and the Third Mortgage Loan Documents, and the Second Lender and the Third Lender shall each have the right to exercise all rights or remedies under the Second Mortgage Loan Documents and the Third Mortgage Loan Documents, respectively, in the same manner as in the case of any other default thereunder. If at any time the Borrower cures any First Mortgage Loan Default to the satisfaction of the First Lender, any default under the Second Mortgage Loan Documents and the Third Mortgage Loan Documents arising from such First Mortgage Loan Default shall be deemed cured and the Second Mortgage Loan and Third Mortgage Loan shall be retroactively reinstated as if such First Mortgage Loan Default had never occurred.

8. Conflict.

The Borrower, the Second Lender and the Third Lender each agree that, in the event of any conflict or inconsistency between the terms of the First Mortgage Loan Documents, the Second Mortgage Loan Documents, the Third Mortgage Loan Documents and the terms of this Agreement, the terms of this Agreement shall govern and control: (i) the relative priority of the mortgage liens and security interests of the First Lender, the Second Lender and the Third Lender in and on the Property; (ii) the timing of the exercise of remedies by the First Lender, the Second Lender and the Third Lender under the First Mortgage, the Second Mortgage and the Third Mortgage, respectively; and (iii) the notice requirements, cure rights, and the other rights and obligations which the First Lender, the Second Lender and the Third Lender have agreed to as expressly provided in this Agreement. The Borrower acknowledges that the terms and provisions of this Agreement shall not, and shall not be deemed to, (a) extend the Borrower's time to cure any First Mortgage Loan Default, any Second Mortgage Loan Default or any Third Mortgage Loan Default, as the case may be, (b) give the Borrower the right to notice of any such First Mortgage Loan Default, any Second Mortgage Loan Default or any Third Mortgage Loan Default, as the

case may be, other than that, if any, provided, respectively under the First Mortgage Loan Documents, the Second Mortgage Loan Documents or the Third Mortgage Loan Documents, or (c) create any other right or benefit for the Borrower as against the First Lender, the Second Lender or Third Lender.

9. Rights and Obligations of the Second Lender and Third Lender Upon Condemnation or Casualty.

In the event of (i) a taking or threatened taking by condemnation or other exercise of eminent domain of all or a portion of the Property (collectively, a "Taking"), or (ii) the occurrence of a fire or other casualty resulting in damage to all or a portion of the Property (collectively, a "Casualty"), at any time or times when the First Mortgage remains a lien on the Property the following provisions shall apply:

(1) The Second Lender and Third Lender hereby agree that their rights (under the Second Mortgage Loan Documents and the Third Mortgage Loan Documents, respectively, or otherwise) to participate in any proceeding or action relating to a Taking and/or a Casualty, or to participate or join in any settlement of, or to adjust, any claims resulting from a Taking or a Casualty shall be and remain subordinate in all respects to the First Lender's rights under the First Mortgage Loan Documents with respect thereto, and the Second Lender and the Third Lender shall be bound by any settlement or adjustment of a claim resulting from a Taking or a Casualty made by the First Lender; and

(2) All proceeds received or to be received on account of a Taking or a Casualty, or both, shall be applied (either to payment of the costs and expenses of repair and restoration or to payment of the First Mortgage Loan) in the manner determined by the First Lender in its sole discretion; provided, however, that if the First Lender elects to apply such proceeds to payment of the principal of, interest on and other amounts payable under the First Mortgage Loan, any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the First Mortgage Loan shall be paid to, and may be applied by, the Second Lender in accordance with the applicable provisions of the Second Mortgage Loan Documents, and provided further that any proceeds remaining after the satisfaction in full of the principal of, interest on and other amounts payable under the Second Mortgage Loan shall be paid to, and may be applied by, the Third Lender in accordance with the applicable provisions of the Third Mortgage Loan Documents; provided however, the First Lender agrees to consult with the Second Lender and the Third Lender in determining the application of Casualty proceeds; provided further however that in the event of any disagreement between the First Lender, the Second Lender and/or the Third Lender over the application of Casualty proceeds, the decision of the First Lender, in its sole discretion, shall prevail.

Subject to each of the other terms of this Agreement, the preceding provisions of this Paragraph 9 shall supersede any provisions of the Second Mortgage Loan Documents and the Third Mortgage Loan Documents covering the same subject matter.

10. Modification of Loan Documents.

The Borrower agrees not to amend or modify in any material respect the respective loan documents of the First Lender, the Second Lender and the Third Lender without the written consent of the First Lender, the Second Lender and the Third Lender. The First Lender agrees not to amend or modify in any material respect the First Mortgage Loan Documents without the written consent of the Second Lender and the Third Lender. The Second Lender agrees not to amend or modify in any material respect the Second Mortgage Loan Documents without the written consent of the First Lender and the Third Lender. The Third Lender agrees not to amend or modify in any material respect the Third Mortgage Loan Documents without the written consent of the First Lender and the Second Lender.

11. Default by the First Lender, by the Second Lender or by the Third Lender.

If the First Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by the First Lender under this Agreement, the Second Lender and Third Lender shall each have the right to all available legal and equitable relief. If the Second Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by the Second Lender under this Agreement, the First Lender and Third Lender shall each have the right to all available legal and equitable relief. If the Third Lender defaults in performing or observing any of the terms, covenants or conditions to be performed or observed by the Third Lender under this Agreement, the First Lender and Second Lender shall each have the right to all available legal and equitable relief.


12. Subordinate Financing Terms.

This Agreement does not limit any of the Borrower's rights to negotiate the terms of the Second Mortgage Loan Documents with the Second Lender.

13. Notices.

Each notice, request, demand, consent, approval or other communication (hereinafter in this Section referred to collectively as "notices" and referred to singly as a "notice") which a party is required or permitted to give to another party pursuant to this Agreement shall be in writing and shall be deemed to have been duly and sufficiently given if (a) personally delivered with proof of delivery thereof (any notice so delivered shall be deemed to have been received at the time so delivered), or (b) sent by Federal Express (or other similar national overnight courier) designating early morning delivery (any notice so delivered shall be deemed to have been received on the next Business Day following receipt by the courier), (c) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any notice so sent shall be deemed to have been received two days after mailing in the United States), or (d) transmitted by telecopier, addressed to the respective parties as follows:

FIRST LENDER:	Bank Independent
	P. O. Box 5000
	Sheffield, Alabama 35660
	Attention: David Matthews


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SECOND LENDER: Alabama Housing Finance Authority
7460 Halcyon Pointe Drive, Suite 200
Montgomery, Alabama 36117
Telecopier No.: 334.244.9214
Attention: Multifamily Administrator

THIRD LENDER: Bank Independent
P. O. Box 5000
Sheffield, Alabama 35660
Attention: David Matthews

BORROWER: The Shoals Mill Development, Ltd.
100 Village Street
Birmingham, Alabama 35242
Attention: Chester L. Parker, Jr.

Any party to this Agreement may, by notice given pursuant to this Section, change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses for its notices, but notice of a change of address shall only be effective upon receipt.

14. General.

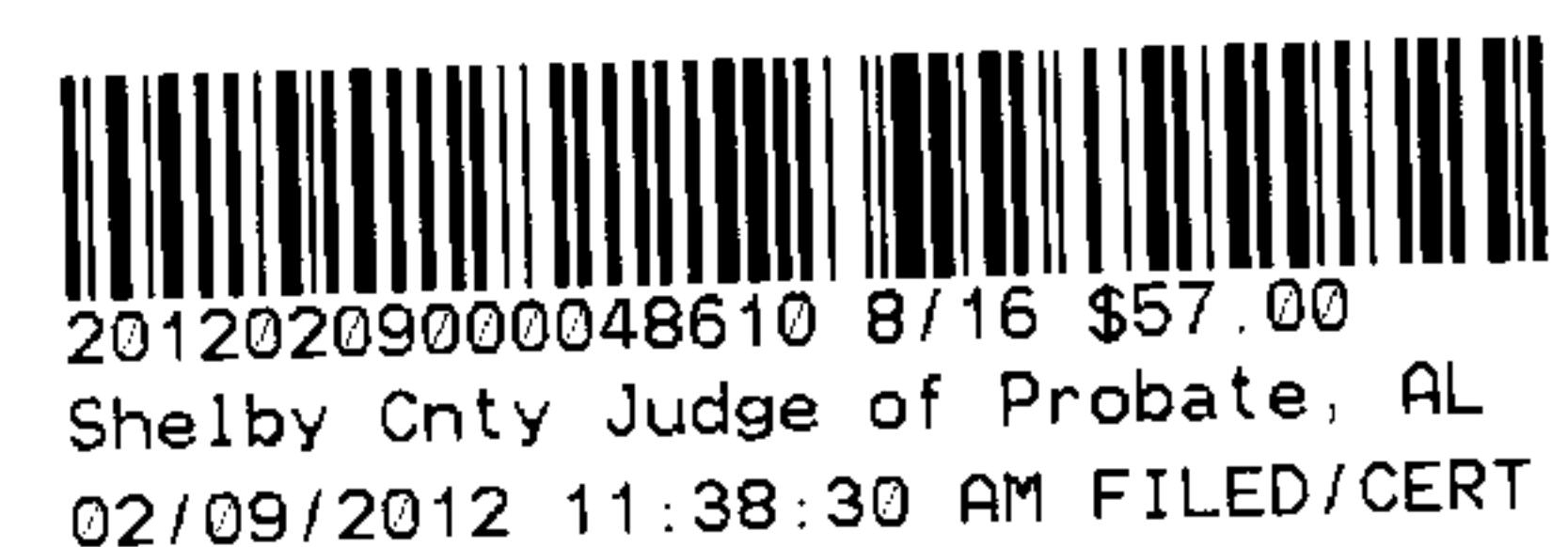
(a) Assignment/Successors. This Agreement shall be binding upon and shall inure to the benefit of the respective legal successors and assigns of the First Lender, the Borrower, the Second Lender and the Third Lender.

(b) No Partnership or Joint Venture. The First Lender's permission for the placement of the Second Mortgage and Third Mortgage, the Second Lender's permission for the placement of the Third Mortgage, the Third Lender's subordination to the First Mortgage and Second Mortgage, the First Lender's execution of this Agreement, the Second Lender's execution of this Agreement and the Third Lender's execution of this Agreement are not to be construed as the First Lender's, the Second Lender's and the Third Lender's being joint venturers or partners of each other. No party hereto shall hold itself out as a partner, agent or Affiliate of any other party hereto.

(c) First Lender's, Second Lender's and Third Lender's Consent. Wherever the First Lender's, Second Lender's or Third Lender's consent or approval is required by any provision of this Agreement, such consent or approval may be granted or denied by such party in its sole but reasonable discretion.

(d) Amendment. This Agreement shall not be amended except by written instrument signed by all parties hereto.


(e) Governing Law. This Agreement shall be governed by the internal laws of the State of Alabama.



(f) Severable Provisions. If any provision of this Agreement shall be invalid or unenforceable to any extent, then the other provisions of this Agreement, shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

(g) Term. The term of this Agreement shall commence on the date hereof and shall continue until the First, Second and Third Mortgage Loans have been satisfied in full.

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

FIRST LENDER:

BANK INDEPENDENT

By: David Mathews

Its: Area President

STATE OF ALABAMA)
Morgan COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that David Mathews, whose name as Area President of Bank Independent, an Alabama banking corporation, 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 the foregoing instrument, he/she, as such officer and with full authority, executed the same voluntarily on behalf of Bank Independent on the date hereof.

Given under my hand and official seal this 7th day of February, 2012.

(SEAL)


Karen B. Tidwell

Notary Public

My Commission Expires: ~~MY COMMISSION EXPIRES 02-09-15.~~

SECOND LENDER:

ALABAMA HOUSING FINANCE AUTHORITY

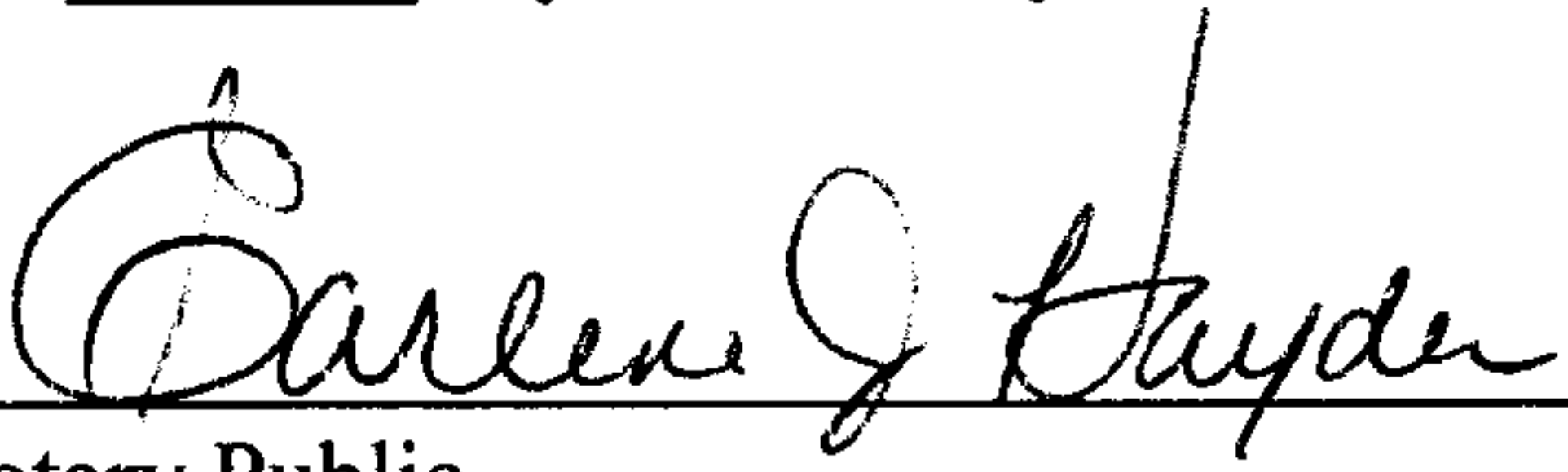
By: 
David C. Young, Multifamily Administrator


STATE OF ALABAMA)
MONTGOMERY COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that David C. Young, whose name as Multifamily Administrator of Alabama Housing Finance Authority, a public corporation and instrumentality of the State of Alabama, 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 the foregoing instrument, he, as such Multifamily Administrator and with full authority, executed the same voluntarily on behalf of said corporation on the date hereof.

Given under my hand and official seal this 8th day of February, 2012.

(SEAL)


Notary Public
My Commission Expires My commission expires 3/16/2015.


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THIRD LENDER:

BANK INDEPENDENT

By: David Mathews

Its: Area President

STATE OF ALABAMA)
Morgan COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that David Mathews, whose name as Area President of Bank Independent, an Alabama banking corporation, 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 the foregoing instrument, he/she, as such officer and with full authority, executed the same voluntarily on behalf of said corporation on the date hereof.

Given under my hand and official seal this 7th day of February, 2012.

(SEAL)

Karen B. Tidwell
Notary Public

My Commission Expires: MY COMMISSION EXPIRES 02-09-15.



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**THE SHOALS MILL DEVELOPMENT, LTD., an
Alabama limited partnership**

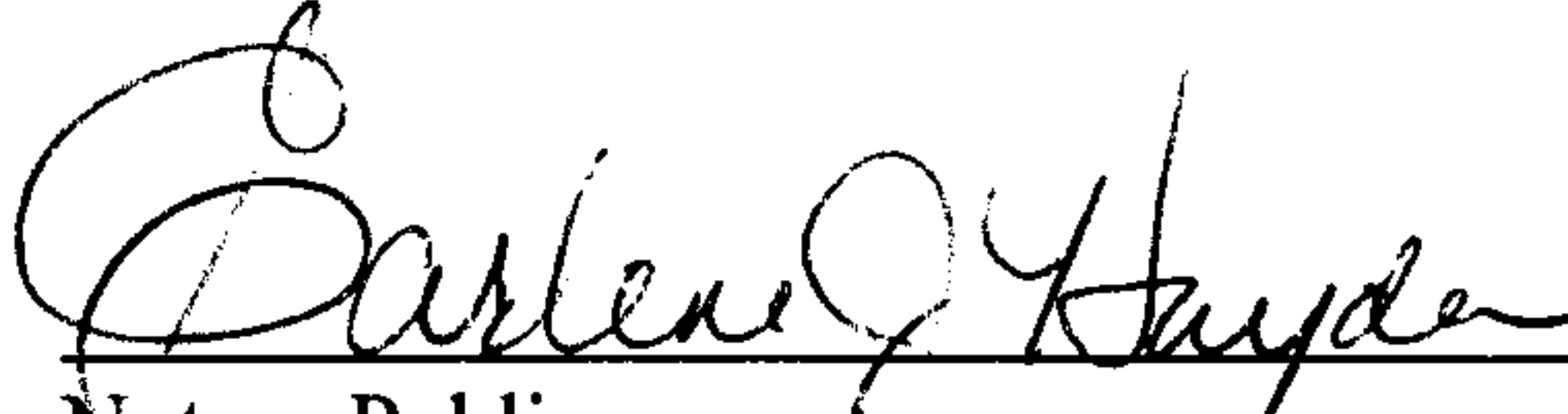
BY: C & S SHOALS, LLC, an Alabama limited liability
company, its general partner

By: 
Chester L. Parker, Jr., its Member

STATE OF ALABAMA)
MONTGOMERY COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Chester L. Parker, Jr., whose name as Member of C & S Shoals, LLC, an Alabama limited liability company, general partner of The Shoals Mill Development, Ltd., an Alabama limited partnership, 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 the foregoing instrument, he, acting in his capacity as such Member and with full authority, executed the same voluntarily on the date hereof, for and on behalf of said corporation acting in its capacity as general partner of said limited partnership.

Given under my hand and official seal this 8th day of February, 2012.



Notary Public

My Commission Expires:

My commission expires 3/16/2015.

[SEAL]

This instrument prepared by:
Jonathan "JT" Thornbury
Maynard, Cooper & Gale, P.C.
1901 Sixth Avenue North
2400 Regions Harbert Plaza
Birmingham, Alabama 35203-2618



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CHIMNEY PEAK DEVELOPMENT CORPORATION, an Alabama non-profit corporation ("Chimney Peak"), joins in the foregoing Subordination Agreement (the "Agreement") for the purposes of (a) consenting and agreeing to the terms and provisions set forth therein, (b) acknowledging and agreeing that the First Mortgage Loan and Second Mortgage Loan have been, or will be, recorded against the Property, (c) representing and warranting that Chimney Peak has entered into an agreement with Third Lender whereby Third Lender has made a loan in the maximum principal amount of \$210,000 to Chimney Peak (the "Third Mortgage Loan"), and Chimney Peak, upon receipt of such loan proceeds from Third Lender, made a loan in the maximum principal amount of \$210,000 to Borrower (the "Chimney Peak Loan"), (d) acknowledging and agreeing that the Chimney Peak Loan and any liens with respect to such loan and all documents evidencing and securing such loan shall be subject and subordinate to the Declarations and the prior payment in full of the indebtedness evidenced by the First Mortgage Loan Documents and Second Mortgage Loan Documents to Borrower, (e) acknowledging and agreeing that the Chimney Peak Loan shall have the same interest rate, payment terms and maturity date as the Third Mortgage Loan, (f) acknowledging and agreeing that any mortgage or lien interest in the property with respect to the Chimney Peak Loan shall be assigned to Third Lender, (g) acknowledging and agreeing that default by Borrower in performing or observing any term or condition of the Chimney Peak Loan shall not constitute a First Mortgage Loan Default, Second Mortgage Loan Default, or Third Mortgage Loan Default, (h) acknowledging that the Third Mortgage is given by Borrower as an accommodation to secure the loan to Chimney Peak, and (i) assigning and conveying all of its rights under this Agreement with respect to the Chimney Peak Loan and the Third Mortgage Loan to Third Lender; that Third Lender shall be entitled to exercise any and all rights under this Agreement relating to the Third Mortgage Loan and the Chimney Peak Loan; and that Chimney Peak shall have no rights or obligations under this Agreement.

CHIMNEY PEAK:

CHIMNEY PEAK DEVELOPMENT CORPORATION,
an Alabama non-profit corporation

By: Cynthia P. Newsome
Name: Cynthia P. Newsome
Its: Sec / Treasurer

STATE OF ALABAMA)
Calhoun COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Cynthia P. Newsome, whose name as Sec - Treas. of Chimney Peak Development Corporation, an Alabama non-profit corporation, 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 the foregoing instrument, he, acting in his capacity as such Sec - Treas. and with full authority, executed the same voluntarily on the date hereof, for and on behalf of said corporation

Given under my hand and official seal this 17th day of February, 2012.

(SEAL)

Connie A. Wheeler
Notary Public
My Commission Expires: ~~My Commission Expires 7-26-15~~

EXHIBIT "A"

LEGAL DESCRIPTION

Lot 3, Shoals Mill Final Plat, a subdivision, according to the plat thereof recorded in Map Book 42, page 132 and re-recorded in Map Book 42, Page 133, of the records in the office of the Judge of Probate, Shelby County, Alabama, more particularly described as follows, to wit:

Commence at a 2" open top pipe in place being the Southeast corner of the Southeast one-fourth of the Northwest one-fourth of Section 24, Township 21 South, Range 1 West, Shelby County, Alabama; thence proceed South 00° 03' 21" West along the East boundary of the Northeast one-fourth of the Southwest one-fourth of said section for a distance of 412.67 feet to a 2" open top pipe in place; thence continue South 01° 21' 42" West along the East boundary of said quarter-quarter section for a distance of 293.37 feet to a ½" capped rebar in place, said point being the point of beginning. From this beginning point thence proceed North 32° 06' 43" West for a distance of 448.04 feet (set 1/2" rebar); thence proceed South 63° 53' 34" West for a distance of 1260.24 feet to a 3" capped pipe in place; thence proceed South 01° 28' 32" East for a distance of 114.45 feet to a ½" open top pipe in place; thence proceed South 46° 33' 29" East for a distance of 205.04 feet to a ½" rebar in place; thence proceed North 85° 18' 06" East for a distance of 274.54 feet to a 1" iron pin in place; thence proceed North 89° 07' 07" East for a distance of 138.36 feet to a 1" iron pin in place; thence proceed South 19° 56' 48" West for a distance of 75.09 feet to a 1" iron pin in place; thence proceed South 00° 37' 15" East for a distance of 74.29 feet to a 1" iron pipe in place; thence proceed South 87° 32' 01" East for a distance of 16.19 feet; thence proceed North 87° 29' 56" East for a distance of 17.96 feet to a ½" rebar in place; thence proceed North 89° 22' 31" East for a distance of 16.62 feet to a ½" rebar in place; thence proceed North 00° 29' 24" East for a distance of 32.33 feet to a ½" rebar in place; thence proceed South 89° 49' 42" East for a distance of 187.11 feet to a ½" rebar in place; thence proceed South 01° 09' 17" West for a distance of 29.96 feet to a ½" rebar in place; thence proceed North 88° 52' 25" East for a distance of 497.10 feet (set ½" rebar); thence proceed South 00° 09' 02" West for a distance of 100.01 feet to a 3" open top pipe in place; thence proceed South 88° 37' 24" East for a distance of 98.70 feet to a 1" iron pin in place being located on the East boundary of the Northeast one-fourth of the Southwest one-fourth of said Section 24; thence proceed North 00° 21' 26" East along the East boundary of said quarter-quarter section for a distance of 438.72 feet to a ½" open top pipe in place; thence proceed North 01° 21' 42" West along the East boundary of said quarter-quarter section for a distance of 202.60 feet to the point of beginning. The above described land is located in the Northeast one-fourth of the Southwest one-fourth of Section 24, Township 21 South, Range 1 West, Shelby County, Alabama and contains 19.13 acres.


Together with a permanent, non-exclusive easement for construction, operation, inspection, maintenance, replacement and removal of sanitary sewer lines in, on, under, through, over and across the following described parcel of real property, to-wit:

A 20 foot sanitary sewer easement being 10 feet in equal width on each side of the following described line: Commence at a 2" open top pipe in place being the Northeast corner of the Northeast one-fourth of the Southwest one-fourth of Section 24, Township 21 South, Range 1 West, Shelby County, Alabama; thence proceed South 00° 03' 21" West along the East boundary of said quarter-quarter section for a distance of 412.67 feet to a 2" open top pipe in place; thence proceed South 01° 21' 42" East along the East boundary of said quarter-quarter section for a distance of 293.37 feet; thence proceed North 32° 06' 43" West for a distance of 186.77 feet to the point of beginning in the center of an existing sanitary sewer easement. From this beginning point proceed North 59° 50' 03" East along the centerline of said easement for a distance of 19.88 feet to a sanitary sewer manhole.

Exhibit B

LAND USE RESTRICTIVE COVENANTS

1. Declaration of Land Use Restrictive Covenants for Low-Income Housing Tax Credits recorded in Instrument No. 20101216000424040, in the Office of the Judge of Probate of Shelby County, Alabama.
2. Declaration of Land Use Restrictive Covenants for Alabama's HOME Program recorded in Instrument No. 20101216000424050, in the Office of the Judge of Probate of Shelby County, Alabama.



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Shelby Cnty Judge of Probate, AL
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