

SUBORDINATION AGREEMENT

This Subordination Agreement made as of the 21st day of June, 2013 by Merchants and Farmers Bank, having an address of Post Office Box 520, Kosciusko, Mississippi 39090 ("Subordinator") and Merchants & Farmers Bank, a corporation organized and existing under the laws of the State of Mississippi with its principal place of business at 134 West Washington Street, Kosciusko, MS 39090 ("Lender").

RECITALS:

- A. Daryl T. Milstead and Sandra H. Milstead, of 2331 Dalton Dr., Pelham, AL 35124, Shelby County, Alabama, ("Borrower") has applied to Lender for a loan to be made to Borrower and to be evidenced by a promissory note secured by a mortgage covering certain real property.
- B. The real property offered by Borrower as security to Lender is currently subject to the prior lien of the mortgage described below.
- C. Lender will make such loan to Borrower only on the condition precedent that such mortgage be subordinated to the lien of the mortgage described below to be given by Borrower to Lender.

In consideration of the matters described above, and of the mutual benefits and obligations set forth in this agreement, the parties agree as follows:


SUBORDINATION OF EXISTING MORTGAGE

The mortgage to be subordinated covers real property described as:

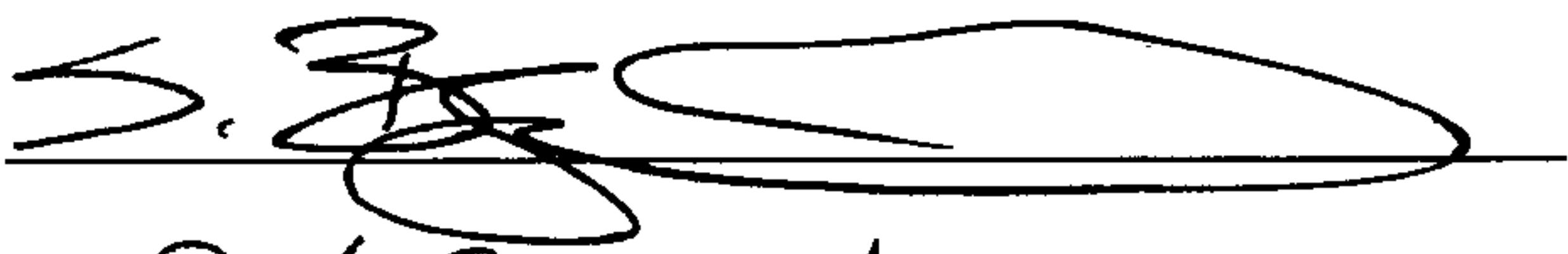
Lot 262, according to the Survey of Chandalar South, 6th Sector Addition, as recorded in Map Book 7, Page 50 A & B, in the Probate Office of Shelby County, Alabama; being situated in Shelby County, Alabama.

and made on the 21st day of May, 2013 in the amount of \$15,000.00 between Daryl T. Milstead and Sandra Holt Milstead and Merchants and Farmers Bank, and filed or recorded in Instrument No. 20130620000254160 of the records of the County of Shelby, State of Alabama, shall be and the same is now subordinated and made subject and subsequent to the lien of that certain mortgage covering the real property referenced above, dated June 21, 2013, between Daryl T. Milstead and Sandra H. Milstead, and Merchants and Farmers Bank, and filed or recorded on the _____ day of _____, 2013, in Instrument No. 20130701000266800, of the records of the County of Shelby, State of Alabama.

The undersigned Subordinator has executed this agreement at 3513 Pelham Parkway, Pelham, Alabama 35124, on the date first appearing above.


20130701000266810 1/2 \$15.00
Shelby Cnty Judge of Probate, AL
07/01/2013 11:00:02 AM FILED/CERT

MERCHANTS AND FARMERS BANK

By: 
Its: VP / Branch Manager

State of Alabama

County of Shelby

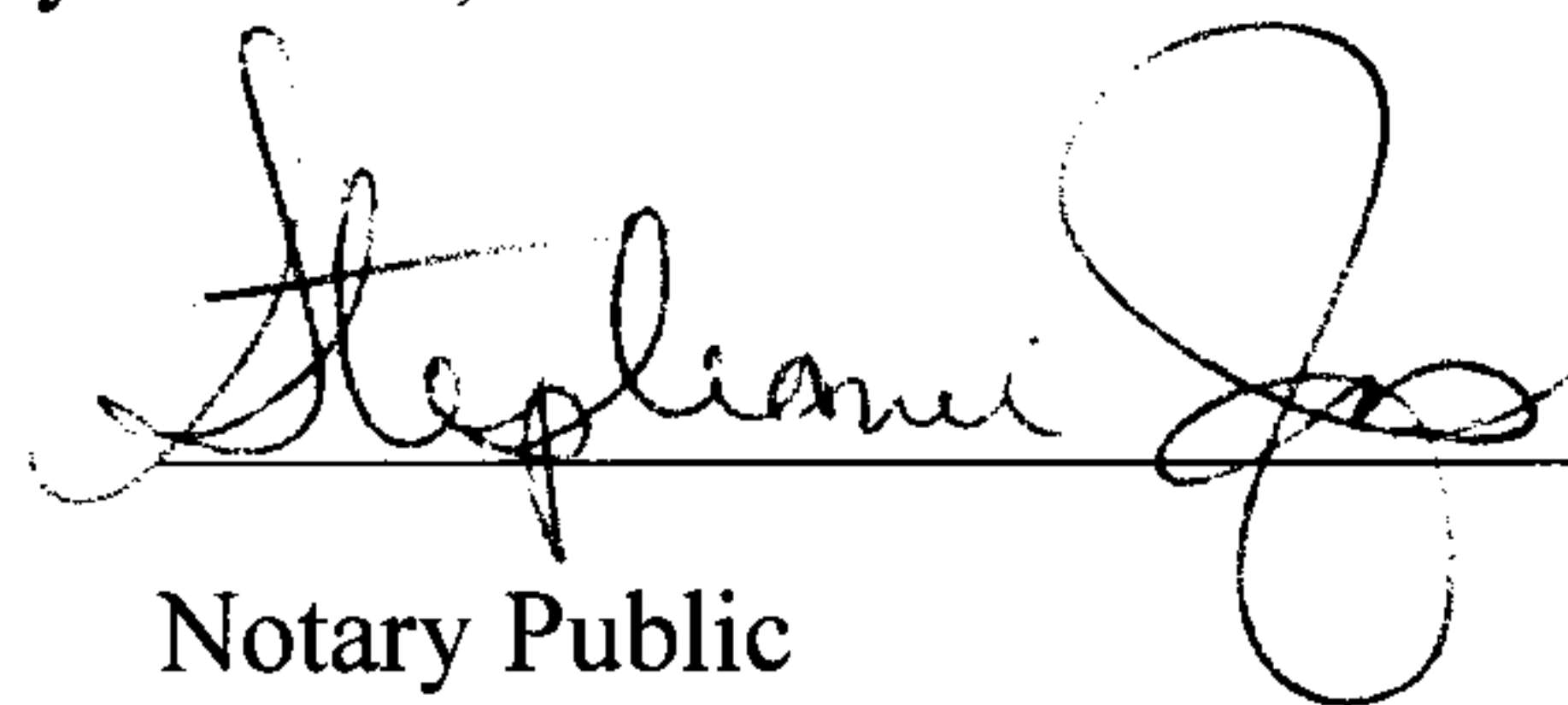
I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that ,

S. Brant Stewart whose name as Vice President / Branch Manager

of Merchants and Farmers Bank, 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 this instrument,
he, as such officer and with full authority executed the same voluntarily for and as act of said
corporation.

Given under my hand and official seal this 21st day of June, 2013.

STEPHANIE JONES
Notary Public, State of Alabama
Alabama State At Large
My Commission Expires
February 12, 2017



Notary Public
My Commission Expires: 02-12-17

This instrument prepared by:

Kelly B. Furgerson

3150 Hwy. 52 W.

Pelham, AL 35124


20130701000266810 2/2 \$15.00
Shelby Cnty Judge of Probate, AL
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