

STATE OF (Alabama)
COUNTY (Jefferson)

SUBORDINATION AGREEMENT

THIS AGREEMENT is made and entered into on this 18th day of March 1996, by AmSouth Bank of Alabama (hereinafter referred to as the "Mortgagee") in favor of AmSouth Bank of Alabama, its successors and assigns (hereinafter referred to as "AmSouth").

WITNESSETH:

WHEREAS, Mortgagee did loan to Thomas & Phyllis Hoffman (the "Borrower", whether one or more) the sum of Fifty Thousand Dollars & no/100 (\$50,000.00), which loan is evidenced by a note dated July 1, 1994, executed by Borrower in favor of Mortgagee, and is secured by a mortgage, deed of trust, security deed, deed to secure debt or other security instrument of even date therewith (the "Mortgage") covering the property described therein and recorded in Instrument # 1994-28470* in the office of Judge of Probate in Shelby County, Alabama; and
*and Corrective subordination agreement recorded in Instrument # 1995-29325
WHEREAS, Borrower has requested that AmSouth lend to it the sum of Fifty Thousand Dollars and No/100 Dollars (\$ 50,000.00) (the "Loan"), such Loan to be evidenced by a promissory note in such amount executed by Borrower in favor of AmSouth and secured by a mortgage, deed of trust, deed to secure debt, security deed or other security instrument of even date therewith (the "AmSouth Mortgage"); and

WHEREAS, AmSouth has agreed to make the Loan to Borrower, if, but only if, the AmSouth Mortgage shall be and remain a lien or charge upon the property covered thereby prior and superior to the lien or charge of the Mortgage on the terms set forth below and provided that the Mortgagee will specifically and unconditionally subordinate the lien or charge of the Mortgage to the lien or charge of the AmSouth Mortgage on the terms set forth below.

NOW, THEREFORE, in consideration of one dollar and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, and in order to induce AmSouth to make the Loan above referred to, Mortgagee agrees as follows:

1. The AmSouth Mortgage and the note secured by the AmSouth Mortgage and the debt evidenced by such note and any and all renewals and extensions thereof, or of any part thereof, and all interest payable on all of said debt and on any and all such renewals and extensions shall be and remain at all times a lien or charge on the property covered by the AmSouth Mortgage, prior and superior to the lien or charge of the Mortgage.
2. Mortgagee acknowledges that it intentionally waives, relinquishes, and subordinates the priority and superiority of the lien or charge of the Mortgage in favor of the lien or charge of the AmSouth Mortgage, and that it understands that, in reliance upon and in consideration of this waiver, relinquishment, and subordination, specific loans and advances are being and will be made, and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into by AmSouth which would not be made or entered into but for such reliance upon this waiver, relinquishment, and subordination.
3. This agreement contains the entire agreement between the parties hereto as to the loan secured by the Mortgage and the Loan secured by the AmSouth Mortgage, and as to the priority thereof, and there are not agreements, written or oral, outside or separate from this agreement, and all prior negotiations are merged into this agreement.

⊗

MAR-15-1996 14:34

1 205 560 7368

05/06/1996-14763
01:55 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
002 KEL 11.00

TOTAL P.003
P.03

Inst # 1996-14763

4. This agreement shall be binding upon the Mortgagee, its successors and assigns and shall inure to the benefit of AmSouth, its successors and assigns.

5. No waiver shall be deemed to be made by AmSouth of any of its rights hereunder unless the same shall be in writing signed on behalf of AmSouth, and each such waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of AmSouth or the obligations of the Borrower or the Mortgagee to AmSouth hereunder in any other respect at any other time.

IN WITNESS WHEREOF, the Mortgagee has caused this instrument to be executed by its duly authorized officer on the day and date first set forth above.

AMSOUTH BANK OF Alabama

ATTEST

Kimberly C. Stewart

By:

Michael F. Thomas
Its: V.P.

ACKNOWLEDGMENT FOR CORPORATION

STATE OF ALABAMA
JEFFERSON COUNTY

I, the undersigned authority, a Notary Public, in and for said county in said State hereby certify that Michael F. Thomas whose name as Vice President of AmSouth Bank of Alabama, a 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 said instrument, he, as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this 18th day of March, 19 96.

Kimberly C. Stewart
Notary Public

My commission expires:

1-31-99

NOTARY MUST AFFIX SEAL

THIS INSTRUMENT PREPARED BY:
JOHN DAY
AmSouth Bank
P.O. Box 830721
Birmingham, Alabama 35263

Inst # 1996-14763

MAR-15-1996 14:34

1 285 560 7368 05/06/1996-14763
01:55 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
002 MEL 11.00

TOTAL P.03