

STATE OF ALABAMA     )  
COUNTY OF SHELBY    )

### SUBORDINATION AGREEMENT

**NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

**THIS AGREEMENT**, made this 23<sup>rd</sup> day of October, 2001, by John M. Giddens, Jr. and Angela M. Giddens, owners of the land hereinafter described and hereinafter referred to as "Owners," and Southern Nuclear Operating Company, Inc., present owner and holder of the Mortgage Lien Instrument - UCC-1 (hereinafter referred to as "Beneficiary") and agreement first hereinafter described and (hereinafter referred to as the "SNC mortgage lien instrument");

### WITNESSETH

**THAT WHEREAS**, Owners did execute a SNC mortgage lien instrument, to Southern Nuclear Operating Company, Inc., covering:

Lot 6, according to the Survey of Cedar Cove Phase II, as recorded in Map Book 9, Page 111, in the Probate Office of Shelby County, Alabama.

to secure certain fixtures and improvements to the above described property in the sum of \$9,100.00, in favor of Southern Nuclear Operating Company, Inc. ("SNC"), which "SNC Mortgage Lien Instrument" was recorded on August 13, 1996, as Instrument No. 1996-26236, Official Records of said county; and

**WHEREAS**, Owners have executed, or are about to execute, a mortgage instrument and note in the sum of \$180,000, dated October 23, 2001 in favor of Guaranty Residential Lending, Inc., its successors and/or assigns as their interests may appear, (hereinafter referred to as "Lender"), payable with interest and upon terms and conditions described therein, which mortgage instrument is to be recorded concurrently herewith; and

**WHEREAS**, it is a condition precedent to obtaining said loan that said mortgage instrument last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the SNC mortgage lien instrument first above mentioned; and

**WHEREAS**, Lender is willing to make said loan provided the mortgage instrument securing the same is a lien or charge upon the above described property prior and superior to the lien or charge of the SNC mortgage lien instrument first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the SNC mortgage lien instrument first above mentioned to the lien or charge of the mortgage instrument in favor of Lender; and

**WHEREAS**, it is to the mutual benefit of the parties hereto that Lender make such loan to Owners; and Beneficiary is willing that the mortgage instrument securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the SNC mortgage lien instrument first above mentioned.

**NOW THEREFORE**, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said mortgage instrument securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the SNC mortgage lien instrument first above mentioned.
- (2) That Lender would not make its loan above described without this subordination agreement.
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the SNC mortgage lien instrument first above mentioned to the lien or charge of the mortgage instrument in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the mortgage instruments hereinbefore specifically described, any prior agreements as to such subordination, including, but not limited to, those provisions, if any, contained in the SNOC mortgage lien instrument first above mentioned, which provide for the subordination of the lien or charge thereof to another mortgage or mortgage instruments.

Beneficiary declares, agrees and acknowledges that

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- (a) It consents to and approves (i) all provisions of the note and mortgage instrument in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owners and Lender for the disbursement of the proceeds of Lender's loan;
- (b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
- (c) It intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the SNC mortgage lien instrument first above mentioned in favor of the lien or charge upon said land of the mortgage instrument in favor of Lender above referred to and 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 which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and
- (d) The SNC mortgage lien instrument has by this instrument been subordinated to the lien or charge of the mortgage instrument in favor of Lender above referred to.

**NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.**

**(ALL SIGNATURES MUST BE ACKNOWLEDGED)**

Southern Nuclear Operating Company, Inc.

By: [Signature]  
 Title: SNC Financial & Treasury  
 Beneficiary Services

State of Alabama )  
 County of Shelby )

On Oct. 23, 2001, before me, Deborah B. Gurgan Notary Public, personally appeared Stan DeWitt, as \_\_\_\_\_ of Southern Nuclear Operating Company, Inc., personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same as representative of Southern Nuclear Operating Company, Inc., and that by his/her signature on the instrument he/she executed the same voluntarily for and as the act of said business on the day the same bears date.

WITNESS my hand and official seal.  
[Signature]  
 Notary's Signature

NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
 MY COMMISSION EXPIRES: June 10, 2004  
 BONDED THRU NOTARY PUBLIC INSURANCE

[Signature]  
 John M. Giddens, Jr.  
 Owner

[Signature]  
 Angela M. Giddens  
 Owner

State of Alabama )  
 County of Jefferson )

On Oct. 23rd, 2001, before me, John M. Giddens, Jr. and Angela M. Giddens Notary Public, personally appeared John M. Giddens, Jr. and Angela M. Giddens, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]  
 Notary's Signature 11/05/03

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