

This Instrument Prepared by:

And When Recorded Return to:
First Tennessee Bank National Association, Grantor
P.O. Box 17888
Memphis, TN 38187-0888

SUBORDINATION AGREEMENT

Account No. 4458370392176406

RECITALS:

WHEREAS, James T. Swaney and Judy C. Swaney, husband and wife (hereinafter singly or collectively "Borrower") is the owner of the following described real property described below or in Exhibit "A" attached hereto, and having a street address as follows (the "Property"):

***1099 Happy Hollow Road
Montevallo, AL 35115***

AND WHEREAS, the said Borrower has made application for a closed-end mortgage loan ("New Loan") in an amount not to exceed \$65,000 from First Horizon Home Loan Corporation (the "Grantee"), whose address is: 4000 Horizon Way, Irving, TX 75063, to be evidenced by a Deed of Trust/Mortgage which shall be a lien or charge on the Property.

AND WHEREAS, the undersigned, First Tennessee Bank National Association and its divisions, FIRST HORIZON EQUITY LENDING and FIRST HORIZON MONEY CENTER (collectively, "Grantor") has an interest in or lien upon the Property as follows (check as applicable):

- (x) (Mortgage) As Mortgagee under a Mortgage recorded 12/4/1996, and recorded in, Instrument No. 1996-39905, Official Records of Shelby County, State of Alabama .
- () (Deed of Trust) As Beneficiary under a Deed of Trust to the Trustee named therein, dated/recorded and recorded in Book 0, Page ; File/Fee/Reel/Instrument No. 0, Official Records of City/County, State of .

As a condition of making the New Loan, the Grantee has required the Borrower to execute a Deed of Trust/Mortgage on the Property securing repayment of the New Loan (the "New Deed of Trust/Mortgage"), which, upon execution and recordation of this Agreement, and subject to the conditions and limitations set out below, shall have a superior lien position to that of Grantor on the Property.

AGREEMENTS:

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

1. Grantor hereby agrees to subordinate the lien of its Deed of Trust/Mortgage to the lien of the New Deed of Trust/Mortgage, subject to the following conditions. This Subordination is limited solely to the New Deed of Trust/Mortgage and is effective ONLY to the extent to which the New Deed of Trust/Mortgage is a valid, enforceable and properly recorded mortgage lien instrument. This Agreement shall be of no force and effect in the event Grantee or its agents fails to satisfactorily perform all acts required to make the New Deed of Trust/Mortgage a valid and enforceable mortgage loan, that is properly recorded in the appropriate land records.
2. This Subordination as described above shall not apply to any future advance of funds to or for the benefit of the Borrower by the Grantee of the New Deed of Trust/Mortgage, except for advances necessary to protect the security of the New Deed of Trust/Mortgage.
3. Nothing in this Agreement shall be deemed to constitute a novation with respect to the debt secured by the Grantor Deed of Trust/Mortgage, nor an extension or modification thereof, nor otherwise affect the rights, remedies or penalties under the Grantor Deed of Trust/Mortgage.
4. This Agreement shall be binding upon and shall inure to the benefit of Grantor and the Grantee and their respective successors and assigns, and any purchaser at any foreclosure sale instituted pursuant to the Grantor Deed of Trust/Mortgage or the New Deed of Trust/Mortgage.
5. This Agreement shall be construed in accordance with the laws of the State of Tennessee.

IN WITNESS WHEREOF, Grantor has caused this Agreement to be executed by its duly authorized representative and Trustee has executed this Agreement on this 13 day of February, 2003.

WITNESS:

First Tennessee Bank National Association (Grantor)

Adell A. Crump II
Adell A. Crump II

By: [Signature]
Name: R. C. Stern
Title: Vice President

By: _____
Name: _____
Title: Trustee

ACKNOWLEDGMENT

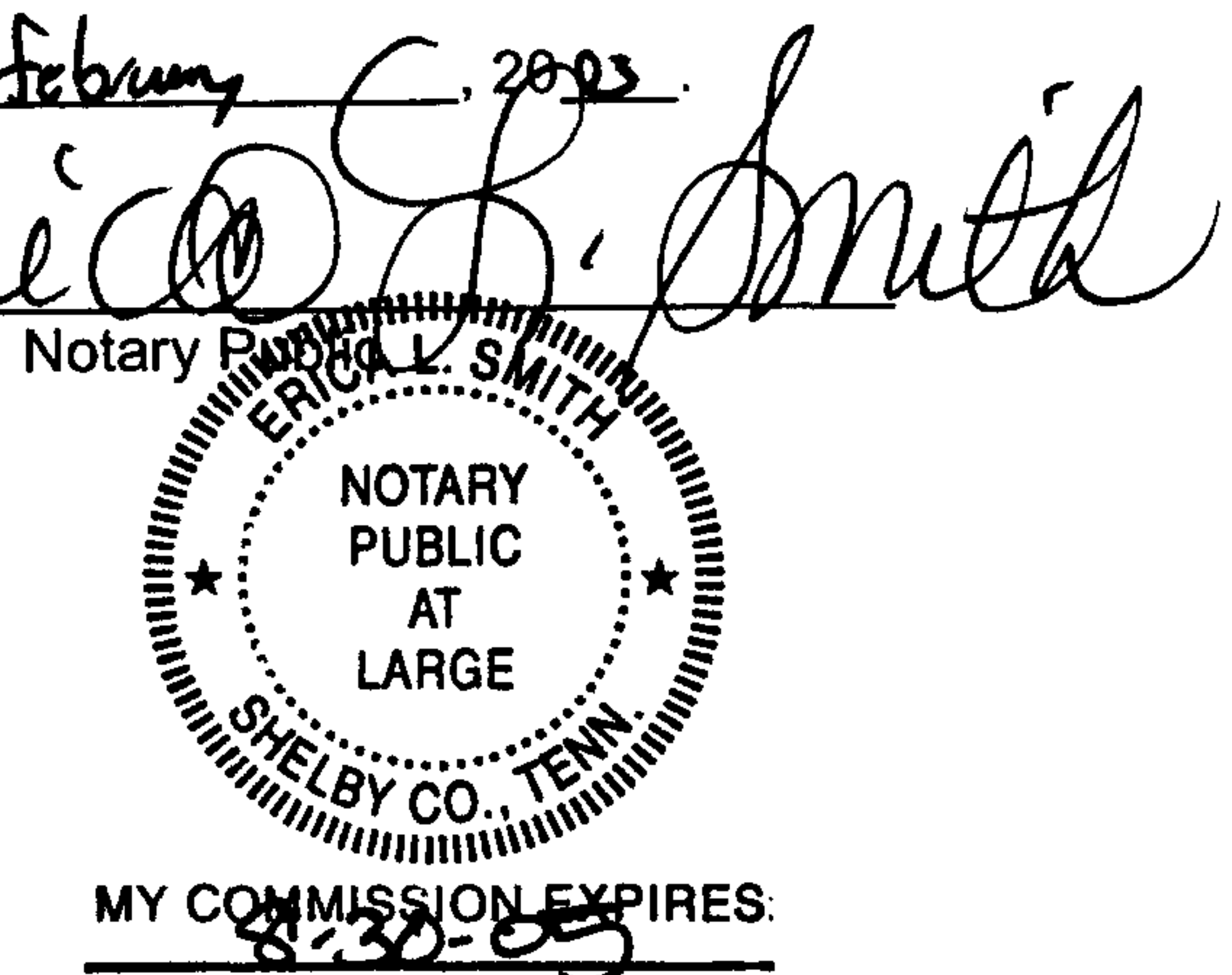
STATE OF Tennessee)
) ss:
COUNTY OF Shelby)

Before me, Eric L. Smith of the state and county mentioned, personally appeared R.C. Stern, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be the Vice President of First Tennessee Bank National Association, the within named bargainer, a corporation, and that he/she, as such Vice President, executed the foregoing instrument for the purpose therein contained, by personally signing the name of the corporation as Vice President.

WITNESS my hand and official seal on this 13th day of February, 2003.

My Commission expires: 8-30-05

STATE OF _____)
) ss:
COUNTY OF _____)



Personally appeared before me, a Notary Public for the State and County aforesaid, _____, the Trustee named in the foregoing instrument, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he/she executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and official seal on this _____ day of _____, 20____.

Notary Public

My Commission expires:

[INSERT ACKNOWLEDGEMENT FORM REQUIRED BY APPROPRIATE STATE LAW]