

SUBORDINATION AGREEMENT

1491181 JEH

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 18th day of February, 2003 by David Michel and Arika Michel owner of the land hereinafter described and hereinafter referred to as "Owner," and Compass Bank present owner and holder of the Mortgage and Note first hereinafter described and hereinafter referred to as "Beneficiary";

WITNESSETH:

THAT, WHEREAS, David Michel and Arika Michel did execute a Mortgage, dated 06/25/02 to Compass Bank as Mortgagee, covering:

SEE ATTACHED LEGAL DESCRIPTION Exhibit "A".

to secure a Note in the sum of \$32,000.00 dated 06/25/02 in favor of Compass Bank which Mortgage was recorded 07/25/02 of the Official Records of said county; and

WHEREAS, Owner has executed, or is about to execute, a Mortgage and Note not to exceed the sum of \$240,000.00 in favor of Everbanc Mortgage dba Priceline Mortgage hereinafter referred to as "Lender," payable with interest and upon the terms and conditions described therein, which Mortgage is to be recorded concurrently herewith; and

IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS
SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR
ATTORNEYS WITH RESPECT THERETO.

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

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

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



SUBORDINATION AGREEMENT CONTINUED

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 et loan above referred to, it is hereby declared, understood and agreed as follows:

- (1) That said Deed of Trust 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 Mortgage 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 Mortgage first above mentioned to the lien or charge of the Mortgage in favor of Lender above referred to and shall supersede sand cancel, but only insofar as would affect the priority between the Mortgages hereinbefore specifically described, any prior agreement as to such subordination including, but not limited to, those provisions, if any, contained in the Mortgage first above mentioned, which provide for the subordination of the lien or charge thereof to another mortgage or mortgages or to another Deed or Deeds of Trust.

Beneficiary declares, agrees and acknowledges that:

- (1) He consents to and approves (I) of all provisions of the Note and Mortgage in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;
- (2) Lender in making disbursements pursuant to any such agreement is under not obligation or duty to not 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;
- (3) He intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the Mortgage first above mentioned in favor of the lien or charge upon said land of the Mortgage 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
- (4) An endorsement has been placed upon the Note secured by the Mortgage first above mentioned that said Mortgage has by this instrument been subordinated to the lien or charge of the Mortgage in favor of the 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.

WITNESSES:

X Witness Signature: Ellie Woodruff
Witness Printed Name: Ellie Woodruff

X Witness Signature: Karenita Washington
Witness Printed Name: Karenita Washington

BY: [Signature]
Authorized Signature
Printed Name: J A Woods
Title: AVP

(Corporate Seal)

STATE OF
COUNTY OF

The foregoing instrument was acknowledged before me this 18th day of February, 2003
by J A Woods, AVP
of Compass Bank
an Alabama corporation, on behalf of the corporation.

He/she is personally known to me or has produced _____ as identification.

My Commission expires:

5/10/06

[Signature]
Printed Name: Nora L. Capps
Notary Public
Serial Number N/A

Form No. 3301 (6/00)
Short Form Commitment, EAGLE
SUPER EAGLE

ORDER NO: 1491181
FILE NO: 1491181
LENDER REF: 1570505501

Exhibit "A"

The land referred to in this policy is situated in the **STATE OF ALABAMA, COUNTY OF SHELBY, CITY OF HELENA**, and described as follows:

LOT 33, ACCORDING TO THE SURVEY OF THE WOODLANDS, SECTOR 1, AS RECORDED IN MAP BOOK 27, PAGE 63, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA.

Being all of that certain property conveyed to DAVID A. MICHEL & ARIKA B. MICHEL, AS JOINT TENANTS, WITH RIGHT OF SURVIVORSHIP from NEW CASTLE CONSTRUCTION, by deed dated 04/29/02 and recorded 05/15/02 in Deed Book 2002, Page 22896 in the SHELBY County Records.