

STATE OF ALABAMA  
COUNTY OF SHELBY

**SUBORDINATION AGREEMENT**

THIS SUBORDINATION AGREEMENT, made and entered into this the 21<sup>st</sup> day of May, 2003 by and between Compass Bank (hereinafter "Compass") and American Mortgage Express Corp. (hereinafter "American").

**WITNESSETH THAT, WHEREAS, Stephen T. Hobbs. and Karol H. Hobbs** (hereinafter "Borrower", whether one or more), have an outstanding mortgage lien in favor of Compass on that certain real property described hereinafter to secure an indebtedness in the amount of **\$25,015.00** and said lien is in full force and effect, said real property being more particularly described as follows:

**Lot 406, according to the Survey of Yellowleaf Ridge Estates, 4<sup>th</sup> Sector, as recorded in Map Book 24, Page 125, in the Probate Office of Shelby County, Alabama.**

and,

**WHEREAS**, the Borrower has/have made an application to American for a loan in the amount of **\$198,000.00** and American is willing to make said loans to Borrower provided he/she/they furnish it with first position mortgage on the lands described in the aforesaid lien, and further provided that Compass subordinate the above described lien and make the same second and subservient to the mortgage of American; and ,

**WHEREAS**, it is the desire and intention of Compass to subordinate the lien, operation and effect of the above described mortgage in favor of Compass, for the full balance thereof, to the lien and operation of American aforesaid mortgage, in order that last said lien and mortgage shall become a lien of first priority on the real property described hereinabove, and further, that the lien and mortgage in favor of Compass shall be, and the same are by these presents made, second, junior and subservient to those lien and mortgage of American in every manner whatsoever.

**NOW THEREFORE**, in consideration of the premises and the sum of Ten and 00/100 (\$10.00) Dollars, receipt of which is acknowledged, the undersigned do/does hereby agree that the mortgage lien of. Stephen T. Hobbs and Karol H. Hobbs to Compass, dated 01/18/02, and recorded in Instrument No. **2002-08779** in the Office of the Judge of Probate of Shelby, Alabama and shall be second and subservient to that certain first mortgage of Borrower to American, dated May 16, 2003, and recorded in Instrument No 20030527000327660 in the Office of the Judge of Probate of Shelby County, Alabama, to secure the sum of \$198,000.00, plus interest thereon, said lien of Compass Bank being subordinated to the first mortgage of American Mortgage Express Corp.

**IN WITNESS WHEREOF**, the parties hereto have set their hands and seals on this the 21<sup>st</sup> day of May, 2003

**COMPASS BANK**

BY:   
Jeff Byrd, Vice President

**STATE OF ALABAMA  
COUNTY OF JEFFERSON**

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that **Jeff Byrd** whose name as **Vice President** of Compass 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/she, 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 21 day of **May**, 2003.

Sharon Martin Kyser  
Notary Public  
My Commission Expires: 7-31-05



THIS INSTRUMENT PREPARED BY:  
W. Russell Beals, Jr.  
**Beals & Associates, P.C.**  
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