20040310000122040 Pg 1/2 14.00 Shelby Cnty Judge of Probate; AL 03/10/2004 09:40:00 FILED/CERTIFIED

SUBORDINATION AGREEMENT

State of Alabama County of Jefferson

This Agreement is made and entered into on this day of February,

2004 by Compass Bank

(hereinafter referred to as the "Mortgagee") in favor of Hamilton Mortgage

Corporation , its successors and assigns (hereinafter referred to as (" HMC ").

WITNESSETH:

Whereas, the Mortgagee did loan to Melissa Allred and Lesa Denham ("Borrower") the sum of \$40,000.00 executed by Borrower in favor of Mortgagee, and secured by a mortgage of even date therewith (the "Mortgage") covering the property described therein and recorded in Inst. No. 2002-49705 of the real property records in the Office of the Judge of Probate of Shelby County, Alabama; and

Whereas, Borrower has requested that HMC lend to it the sum of One Hundred Fifty-Five Thousand and no/100—Dollars (\$155,000.00) (the "Loan"), such loan to be evidenced by a promissory note dated February 27, 2004 executed by Borrower in favor of HMC and secured by a mortgage of even date therewith (the "New Mortgage") covering in whole or in part the property covered by the Mortgage; and

Whereas, HMC has agreed to make the Loan to the Borrower if, but only if, the New Mortgage shall be and remain a lien or charge upon the property covered thereby proper and superior to the lien or charge of the Mortgage and provided that the Mortgagee shall specifically and unconditionally subordinate the lien or charge of the Mortgage to the lien or charge of the New Mortgage of HMC .

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 HMC to make the Loan referred to, Mortgagee agrees as follows:

1. The New Mortgage and the note secured thereby 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

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the property covered by the New Mortgage, prior and superior to the lien or charge of the Mortgage in favor of Mortgagee.

- 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 New Mortgage in favor of HMC 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 HMC 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 New Mortgage, and the property thereof, and there are no agreements, written or oral, outside or separate from this agreement, and all prior negotiations are merged into this agreement.
- 4. This agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

MORTGAGEE

Compass Bank

By:

State of Alabama County of Jefferson

I, the undersigned authority, a Notary Public in and for said county, in said state, hereby certify that Is 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 said instrument, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said Compass Bank

Give under my hand and official seal this the 2004.

aloth

day of February,

Notary Public Day

My commission expires:

MY COMMISSION EXPIRES JUNE 1, 2005