

RECORDING REQUESTED BY:

Discover Bank
4909 East 26th Street
Sioux Falls, SD 57110

(This Space Reserved for Recorder)

940-2-709-799595

SUBORDINATION AGREEMENT

This Agreement, made April 27, 2004 by Catherine B Fohl and Robert S Fohl, AN UNMARRIED WOMAN owner(s) of the land hereinafter described ("Owner"), and Discover Bank, ("Discover Bank"), present owner and holder of the Note and beneficiary of the Mortgage first hereinafter described (Discover Bank);

WITNESSETH

WHEREAS, In order to secure a loan in the principal amount of \$28,000.00 plus interest thereon, Owner did execute a Mortgage in favor of Discover Bank, dated August 5, 2003, which Mortgage was recorded on 08/21/2003, as Document Number 20030821000552850 (or in Book , Pages ,) in the County of Shelby, State of AL, covering the premises at 561 Thorn Berry Lane Burmingham, AL 35242-4161, more particularly described in Exhibit "A" attached hereto and made a part thereof by reference.

WHEREAS, Countrywide Home Loans, Inc. ("Lender"), is about to make a loan through a promissory note to Owner, secured by a Mortgage/Deed on and covering the above-described premises; and

WHEREAS, Lender is willing to make such loan, provided that the Mortgage held by Discover Bank is subordinated to the lien of the Mortgage about to be made in favor of Lender as set forth above.

NOW THEREFORE, in consideration of the premises and other valuable consideration, the receipt of which is hereby acknowledged, IT IS HEREBY DECLARED, UNDERSTOOD AND AGREED as follows:

1. Discover Bank and Owner hereby covenant, consent and agree that the above mentioned Mortgage held by Discover Bank is and shall continue to be subject and subordinate in lien to the lien of the Mortgage about to be made in favor of Lender is and shall continue to be a lien prior to and superior to the lien of the Mortgage in favor of Discover Bank.

2. Discover Bank and Owner declare and acknowledge that they intentionally subordinate the Mortgage in favor of Discover Bank to the Mortgage in favor of Lender, and understand in reliance upon and in consideration of this subordination, Lender will make its loan to Owner and Lender would not make said loan but for this subordination.

3. Such subordination shall be for the principal sum of said note of Lender and accrued interest thereon, and other costs and fees as set forth in Lender's Mortgage and said Note, but shall not apply to future advances whether pursuant to a Future Advance clause or otherwise, provided, however, that the maximum amount subordinated by this Agreement shall be the sum of \$169,000.00.

4. This Subordination Agreement contains the whole agreement between the parties hereto as to the priority of the Mortgage of Discover Bank and the Mortgage about to be made in favor of Lender, and there are no other agreements, written or oral, outside and separate from this Agreement, and all prior negotiations, if any, are merged with this Agreement.

Steph. K. K.

In WITNESS WHEREOF, Discover Bank and Owner have executed this instrument on the day and year first above written.

DISCOVER BANK

By: 

Printed Name: **DEBORAH S. RICHARDS**

Its: **VICE PRESIDENT**

OWNER: 

Printed Name: **CATHERINE B FOHL**

OWNER: 

Printed Name: **ROBERT S FOHL**

STATE OF SOUTH DAKOTA) SS:
COUNTY OF MINNEHAHA)

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Deborah S. Richards, whose name as Vice President of Discover Bank signed 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, in his/her capacity as such officer and with full authority, executed the same voluntarily for and as the act of said corporation acting in its capacity as Vice President on the same that bears date.

Given under my hand and official seal this the 27 day of Apr, 04.


Notary Public, State of South Dakota

My Commission Expires:

STATE OF Ala **My Commission Expires**
COUNTY OF October 22, 2006)

On this 6th day of May, 2004 before me the undersigned personally appeared Catherine B Fohl and Robert S Fohl personally known to me, or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

WITNESS my hand and official seal.


Notary Public

My Commission Expires: 3/21/2008 (This area for official notary seal)

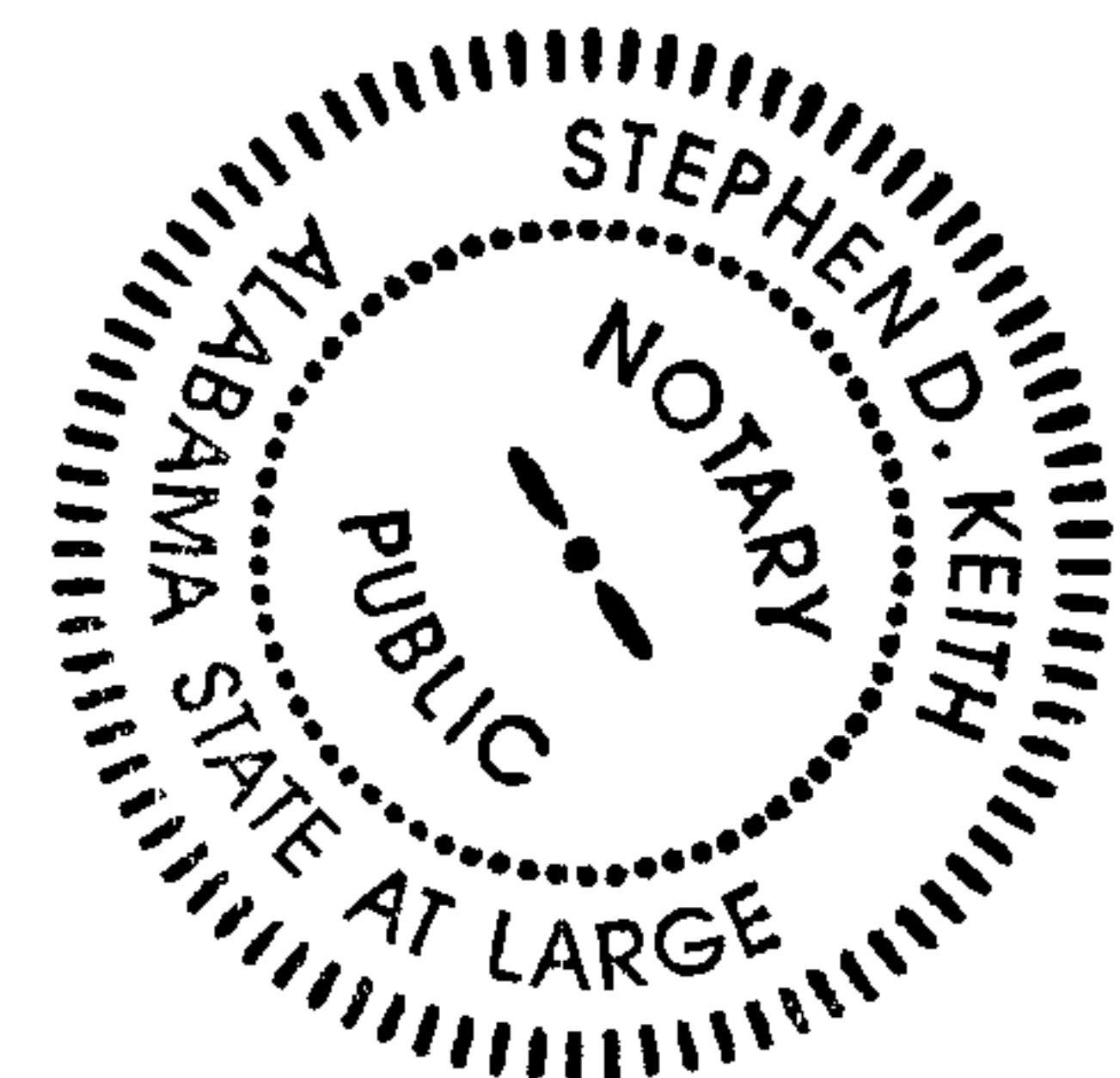


EXHIBIT A

Legal Description

ALL THAT PARCEL OF LAND IN CITY OF BIRMINGHAM, SHELBY COUNTY, STATE OF ALABAMA, AS MORE FULLY DESCRIBED IN DEED INST #, 200112384, ID# 10-1-11-0-009-038-000, BEING KNOWN AND DESIGNATED AS LOT 38, THORN BERRY SUBDIVISION AS RECORDED IN MAP BOOK 25, PAGE 129. BY FEE SIMPLE DEED FROM AMERICAN HOMES AND LAND CORPORATION, AN ALABAMA CORPORATION AS SET FORTH IN INST # 200112384 DATED 03/28/2001 AND RECORDED 04/04/2001, SHELBY COUNTY RECORDS, STATE OF ALABAMA.