



20040616000327780 Pg 1/4 20.00  
Shelby Cnty Judge of Probate, AL  
06/16/2004 13:22:00 FILED/CERTIFIED

**RECORDING REQUESTED BY:**  
FIRST AMERICAN LENDERS  
ADVANTAGE

**AND WHEN RECORDED MAIL TO:**  
FIRST AMERICAN TITLE  
1801 LAKEPOINTE DR, STE 111  
LEWISVILLE TX 75057

A.P.N: 12-6-13-0.000-001-07  
File No: 2239038

**SUBORDINATION AGREEMENT**  
(Existing to New)

**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, by

DAVID A. MICHEL AND ARIKA B. MICHEL  
Owner of 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 A. MICHEL AND ARIKA B. MICHEL has executed a  
Mortgage dated 06/25/02 to COMPASS BANK, as Trustee, covering:

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 AND ARIKA B. MICHEL from NEWCASTLE  
CONSTRUCTION, INC., by deed dated 04/29/02 and recorded 05/15/02 as Instrument No.  
20020515000228960 of official records.

To secure Note in the Sum of \$32,000.00 dated 06/25/02, in favor of COMPASS BANK, which Mortgage was recorded 07/25/02 in Docket/Book N/A, Page N/A, or Instrument No. 20020725000345080, of said County; and

WHEREAS, Owner has executed, or is about to execute, a Mortgage and Note in the sum of \$242,000.00 (NOT TO EXCEED THIS AMOUNT), dated \_\_\_\_\_, in favor of ALLIANCE MORTGAGE COMPANY, 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

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#### SUBORDINATION AGREEMENT-CONTINUED

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 hereinbefore 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 the Beneficiary will specifically and unconditionally subordinate the lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the Mortgage above mentioned.

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

- 1) That said Mortgage securing said note in favor of Lender, and renewals or extensions thereof, shall unconditionally be and remain at all times a lien prior 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 and cancel, but only insofar as would affect the priority between the Mortgage hereinbefore specifically described any prior agreement as to such subordination including, but not limited to, these provisions, if any, contained in the Mortgage first above mentioned, which provide for the subordination of the lien or charge thereof to another deed or deed of trust or to another mortgage or mortgages.





Beneficiary declares, agrees, and acknowledges that

1. He consents to and approves (i.) 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 no obligation or duty to, nor 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 of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made 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 and 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 Mortgage first above mentioned that said Mortgage has by this instrument been subordinated to the lien or charge of the Mortgage in favor of Lender 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 THE IMPROVEMENT OF THE LAND.**

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**SUBORDINATION AGREEMENT-CONTINUED**

**BENEFICIARY: COMPASS BANK**

Print Name: J.S. Byrd  
Title: V.P.

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**(ALL SIGNATURES MUST BE ACKNOWLEDGED)**

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

WITH RESPECT THERETO  
(CLTA SUBORDINATION FORM "A")

STATE OF Alabama )SS

COUNTY OF Jefferson )

On MAY 28, 2004, before me,  
Brenda Joan Goeb personally appeared  
J. S. Byrd, Vice President, Compass Bank, person  
ally known to me (or proved to me on the basis of satisfactory evidence) to the person(s)  
whose name(s) is /are subscribed to the within instrument and acknowledged to me that  
he/she/they executed the same in his/her/their authorized capacity(ies) and that  
his/her/their signature(s) on the instrument to the person(s) or the entity upon behalf of  
which the person(s) acted executed the instruments.

WITNESS my hand and official seal.

Signature Brenda Joan Goeb

My Commission Expires: 6-1-2005

This area for official notarial seal.

