

This Document Prepared By:
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Assessor's Parcel Number: 14-9-31-0-000-001.042

SUBORDINATION AGREEMENT

TITLE OF DOCUMENT

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.

STATE OF ALABAMA
Shelby COUNTY

This Subordination Agreement, made this 28 day of June, 2004 by **South Trust Bank** (hereinafter referred to as Beneficiary), present owner and holder of the Mortgage and note first hereafter described, and **Full Spectrum Lending, its successors and/or assigns, as their respective interest may appear** (hereinafter referred to as "Lender");

WITNESSETH

THAT WHEREAS, **Kenneth W. Hollis and Linda K. Hollis**, (hereinafter referred to as "Owner") did execute a Mortgage, dated **January 8, 2002** to **South Trust Bank** as Mortgagee, covering that certain real property described as follows:

ALL THAT PARCEL OF LAND IN CITY OF PELHAM, SHELBY COUNTY, STATE OF ALABAMA, AS MORE FULLY DESCRIBED IN DEED INST # 2001-04831, ID# 14-9-31-0-000-001.042, BEING KNOWN AND DESIGNATED AS LOT 1307, WEATHERLY WIXFORD FOREST SECTION 13, FILED IN PLAT BOOK 22, PAGE 23.

to secure a note in the sum of **\$194,000.00, open ended to \$194,000.00** dated **January 8, 2002**, in favor of **South Trust Bank** which Mortgage was recorded **June 26, 2002**, as INSTRUMENT/FILE NO. **2002-30160**, 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 \$ 433,000.00 dated July 1, 2004, in favor of Lender, payable with interest and upon the terms and conditions described therein, which Mortgage is to be recorded concurrently herewith; and

Loan No. _____

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 mentioned, Owner has requested Beneficiary to subordinate Beneficiary's lien to the lien about to be taken by the Lender; 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 the 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 lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the Mortgage first 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 to as follows:

- (1) That said Mortgage 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 and cancel, but only insofar as would affect the priority between the mortgages hereinbefore specifically described, any prior agreements 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.

Beneficiary declares, agrees and acknowledges that:

- (a) It 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.

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- (b) 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 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.
- (c) It intentionally 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 unto but for said reliance upon this waiver, relinquishment and subordination; and
- (d) 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 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 LAND.

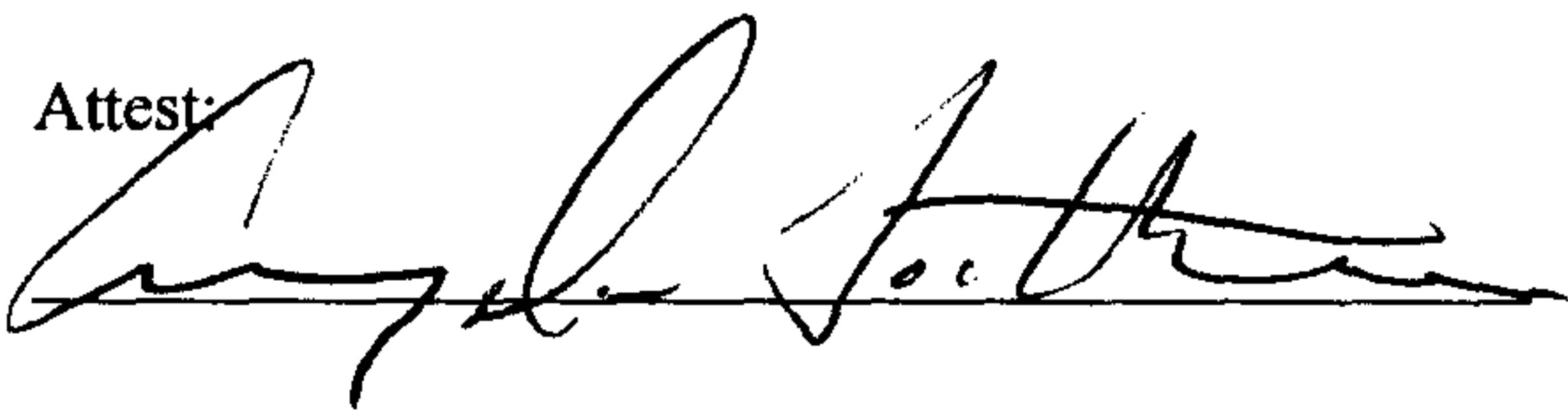
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In witness whereof, the said PARTY(IES) HERETO has/have signed and sealed these presents the day and year first above written.

BENEFICIARY:
South Trust Bank

Attest:

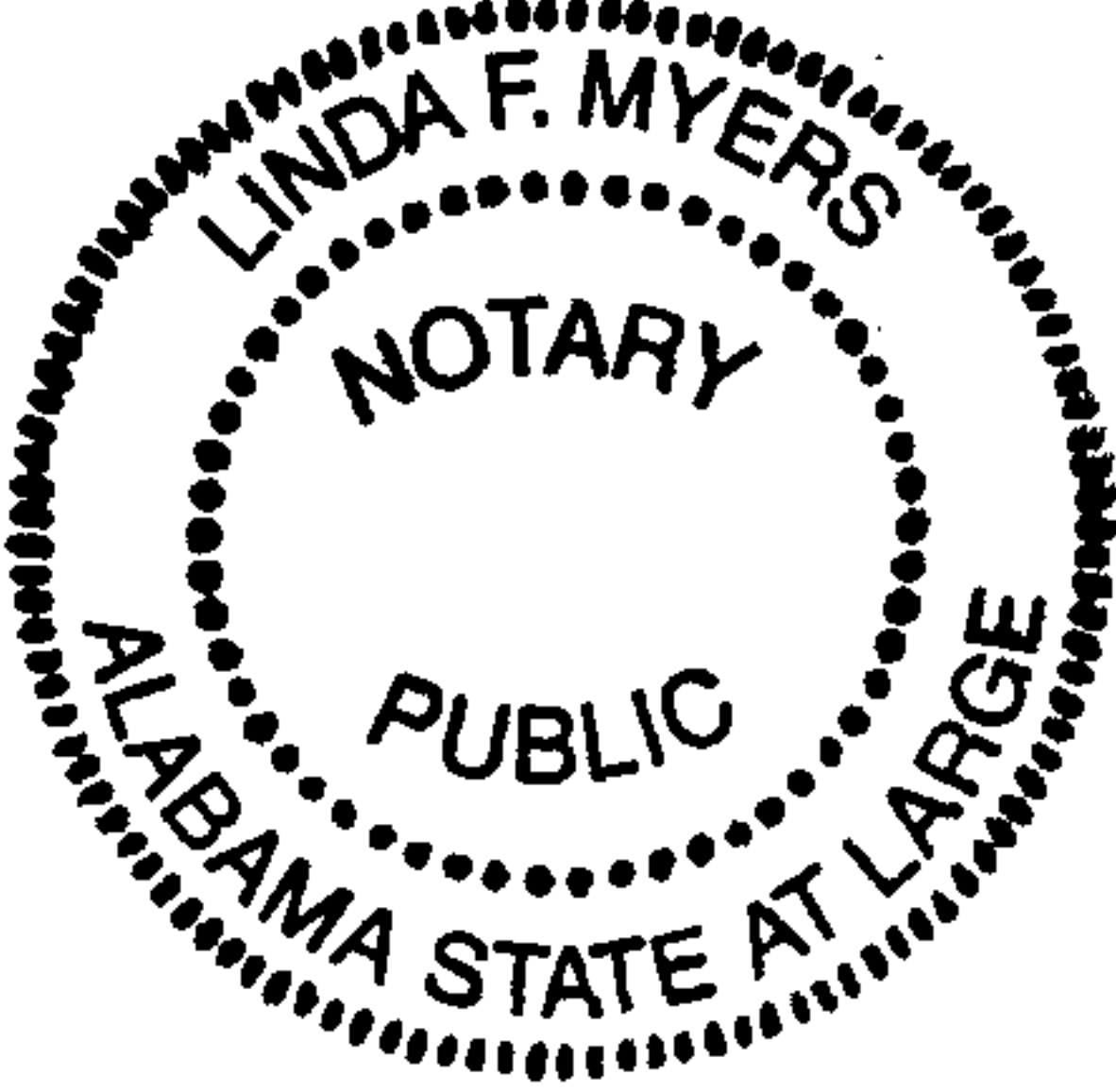



Sarah Noyes
Secretary

STATE OF Alabama
COUNTY Jefferson

I, _____ a Notary Public in and for said County, in said State, hereby certify that Stephen A Pierce, whose name as Vice President of the South Trust Bank is signed to the foregoing subordination and who is known to me, acknowledged before me on this day, that, being informed of the contents of the above and foregoing subordination, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

Given under my hand and official seal of office this 28 day of June, A.D., 2004.




NOTARY PUBLIC
Notary Commission Expires: _____
MY COMMISSION EXPIRES MAY 30, 2006.

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

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