STATE OF ALABAMA

COUNTY OF LEE



SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT, entered into as of the 19th day of July, 2005, by and between Robert W. Wallis and Reta Kay Wallis, husband and wife, ("Borrowers"), SouthTrust / Wacovia ("Subordinating Party"),

- 1. <u>General</u>: (a) Borrower is the owner of certain land situated in Lee County, Alabama, ("the Property") described as follows: Lot Number Thirteen (#13) according to the Survey of Greystone, 7th Sector, Phase I, as recorded in Map Book 18, Page 120 A B & C, in the Probate Office of Shelby County, Alabama.
- (b) Subordinating Party has an interest in such land by virtue of a mortgage on the Property, said mortgage recorded in the Office of the Judge of Probate of Shelby County, Alabama as Instrument Number 2002-47036 dated October 18, 2001 in the principal sum of \$210,000.00, (said interest herein referred to as "Subordinated Interest"); and
- (c) Lender (Wells Fargo Bank, N.A.) has agreed to make a loan to Borrower in the amount of our Hundred Ninety-four Thousand Five Hundred Dollars and No/100ths Dollars (\$494,500.00), provided that Lender is given a first lien on the Property by virtue of a mortgage and other loan documents which lien is superior to the Subordinated Interest of the Subordinating Party.
- (d) As an inducement to Lender to make the loan and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Subordinating Party has agreed to subordinate its interest in the said Property to the lien of Lender.

THEREFORE, IT IS AGREED AS FOLLOWS:

- 1. <u>Subordination</u>: The Subordinating Party hereby covenants, consents agrees with the Lender and does hereby subordinate and make inferior its Subordinated Interest and all its right, title and interest arising therefrom in said Property, to the lien of the Lender in said Property under its mortgage and other loan documents securing the Loan. For purposes of the preceding sentence, "mortgage" means the mortgage encumbering the Property described above, recorded in Document No. <u>20050729000383160</u> in the Office of the Judge of Probate of Shelby County, Alabama, dated the July 19 2005, and delivered by Borrower to Lender to secure its loan evidenced by a note in the principal amount of Four Hundred Ninety-four Thousand Five Hundred Dollars and No/100ths Dollars (\$494,500.00) (plus interest thereon, all future advances thereunder, all costs of collection and preservation of collateral securing such loan). Other "loan documents" includes any other loan documents defined as such in the mortgage.
- 2. <u>Cther Documents</u>: Upon request of the Lender, from time to time delivered to Subordinating Party, Subordinating Party agrees to furnish estoppel letters, status reports and such other information as Lender may reasonably request including ratification and verification of this Agreement.
 - 3. Notices: Notices under this Agreement shall be sent, postage prepaid, to:

BORROWER:

Robert A Wallis and Reta Kay Wallis 5005 Aberdeen Way Birmingham, AL 35242

SUBORDINATING PARTY:

SouthTrust/Wachiovia 100 Office Park Drive Birmingham, AL 35223

or such other addresses as are from time to time furnished in writing by a party hereto.

4. <u>Binding Effects</u>: This Agreement shall be binding upon and inure to the benefit of the representatives, successors and assigns of the parties hereto.

5. Ncnwaiver: This Agreement may not be changed or terminated orally. No indulgence, waiver, election or nonelection by Lender under its mortgage or other loan documents, delivered by Borrower in regard to the herein described property, shall affect this Agreement which shall at all times remain in full force and effect.

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6. <u>Security Agreement</u>: In the event the mortgage from Borrower to Lender constitutes a security agreement under the Uniform Commercial Code of Alabama, and in the event Borrower grants to Lender an Assignment of Rents, Issues and Profits, then this Subordination Agreement shall likewise constitute a subordination of the Subordinating Party's interest in any personal property of Borrower to the lien of the Lender in regard to such personal property described in the mortgage or any financing statement executed in connection with such loans and the Assignment to Lender of Leases, Rents, Issues, and Profits.

IN WITNESS WHEREOF, the parties hereunder have set their hands and seals on the day and year first above written.

Signed, sealed and delivered in the presence of:

SUBORDINATING PARTY:

ATTES' By:	T:		SouthTrust/Wa By: Ren W.	achovia Bellespie		
	as its		as its <u>VICE</u>	PRESIDE	ST	
STATE	OF ALABAMA	*				
COUN	TY OF LEE	*				
foregoin ment, h	I, the undersigned and who is e, as such officer and with	authority, a Notar , whose name as known to me, acknown full authority, execu	y Public in a souled before a state of the same for a	nd for said destructions and as the act of the said and as the said as the said and as the said as	State and Council of SouthTrust, being informed of SouthTrust/Wac	inty, hereby certify that the Wachovia, is signed to the of the contents of the agree-thovia.
	Given under my hand a	nd official seal this th	he 24th day of	Otoler	<u>/,</u> 2005.	•
(SEAL)		Notary My Co	Public Expires	Rauce s: 9-16-	07	

200511100000589350 2/2 \$14.00 Shelby Cnty Judge of Probate, AL 11/10/2005 08:38:23AM FILED/CERT