

STATE OF ALABAMA

JEFFERSON COUNTY

Inst # 1993-23415

08/09/1993-23415
10:51 AM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE
11.00

SUBORDINATION AGREEMENT

THIS AGREEMENT is made and entered into on this 29th day of July, 1993 by SouthTrust Bank (hereinafter referred to as the "Mortgagee") in favor of SouthTrust Mortgage Corporation, its successors and assigns (hereinafter referred to as "SouthTrust").

W I T N E S S E T H

WHEREAS, Mortgagee has loaned to John D. and Janis P. Clements ("Borrower") the original sum of \$250,000.00, to be reduced to an amount no greater than \$165,000.00, which loan is evidenced by a promissory note dated March 19, 1991, executed by Borrower in favor of Mortgagee, and is secured by a mortgage of even date therewith, (the "Mortgage") covering the property described therein and recorded in Book 334, Page 318 - 321 of the real property records in the Office of the Judge of Probate of Shelby County, Alabama; and

WHEREAS, Borrower has requested that SouthTrust lend to them the sum of \$300,000.00 (the "Loan"), such loan to be evidenced by a promissory note dated July 29, 1993, executed by Borrower in favor of SouthTrust 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, SouthTrust 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 prior and superior to the lien or charge of the Mortgage and provided that the Mortgagee will specifically and unconditionally subordinate the lien or charge of the Mortgage to the lien or charge of the New Mortgage of SouthTrust.

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 SouthTrust to make the Loan above 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 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 SouthTrust, 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 a part and parcel thereof specific monetary and other obligations are being and will be entered into by SouthTrust 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 priority 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:

SOUTHTRUST BANK OF ALABAMA, N. A.

BY: Clarke H. Gillespy

ITS: Vice President

STATE OF ALABAMA

JEFFERSON COUNTY

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that Clarke H. Gillespy whose name as Vice President of SouthTrust 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 as such officer and with full authority, executed the same voluntarily for and as the act of said SouthTrust Bank.

Given under my hand and official seal this the 29th day of July, 1993.

Pamela A. West

Notary Public

My Commission Expires: 8-10-95

This instrument prepared by:
Clarke H. Gillespy
SouthTrust Bank of Alabama,
National Association
P. O. Box 2554
Birmingham, Alabama 35290

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