

STATE OF ALABAMA)
SHELBY COUNTY)

26212-9661 # 1501

SUBORDINATION AGREEMENT

THIS AGREEMENT is made and entered into on this 19th day of June, 1996, by First Federal Savings Bank (hereinafter referred to as MORTGAGEE) in favor of First Federal Savings Bank, its successors and assigns and Shirley P. Waller and husband, Earl T. Waller (hereinafter referred to as BORROWERS).

WITNESSETH:

WHEREAS, Mortgagee did loan to Borrowers the sum of \$24,000.00, which is evidenced by a promissory note dated January 11, 1995, 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 Inst. # 1995-01780 of the real property records in the Probate Office of Shelby County, Alabama.

WHEREAS, Borrowers have requested that Mortgagee lend to them the sum of \$96,000.00 (the "Loan"), such loan to be evidenced by a promissory note dated June 19, 1996, executed by Borrowers in favor of Mortgagee 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, Mortgagee has agreed to make the Loan to the Borrowers, 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 January 11, 1995 Mortgage to the lien or charge of the New Mortgage of Mortgagee;

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 Mortgagee to make the Loan above referred to, Mortgagee and Borrowers agree 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 January 11, 1995 Mortgage in favor of Mortgagee.
2. Mortgagee acknowledges that it intentionally 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 Mortgagee, and that it understands,

STONE, PATTON, KIERCE & FREEMAN
POST OFFICE BOX 237
BESSEMER, ALABAMA 35021

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SHELBY COUNTY JUDGE OF PROBATE
DORIS NELSON 13:50

that in reliance upon and in consideration of this 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 by Mortgagee, which would not be made or entered into but for such reliance upon this 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

First Federal Savings Bank

By: Robert Nelson

Its: ASST. V.P.

Shirley P. Waller
Shirley P. Waller Borrower

Earl T. Waller
Earl T. Waller Borrower

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that ROBERT NELSON, III, whose name as ASST. VICE PRESIDENT of First Federal Savings Bank, a corporation, 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 the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the 19th day of June, 1996.

Brenda R. Fitts
Notary Public

My Commission Expires: 1/3/2000

STATE OF ALABAMA)
JEFFERSON COUNTY)

On this 19th day of June, 1996, I the undersigned authority, a Notary Public in and for said County, in said State, hereby certify that Shirley P. Waller and Earl T. Waller, whose names are signed to the foregoing agreement, and who are known to me, acknowledged before me that, being informed of the contents of the conveyance, they executed the same voluntarily and as their act on the day the same bears date.

Given under my hand and seal of office this 19th day of June, 1996.

Brenda R. Gittle
Notary Public

Inst # 1996-21297

My Commission Expires: 1/3/2000

PREPARED BY: V. Edward Freeman, II
Stone, Patton, Kierce & Freeman
118 North 18th Street
Bessemer, Alabama 35020

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