

STATE OF ALABAMA
COUNTY OF SHELBY

Inst. # 1999-25259

06/16/1999 - 25259

LIEN SUBORDINATION AND INDEMNITY

Preamble

06/16/1999-25259
08:54 AM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE

003 CRH 13.50

AMBERSON CONSTRUCTION, INC., a corporation (the "Contractor"), entered into a contract on **MAY 8, 1999**, (the "Contract"), with **JOSEPH P. MURDOCK and MELISA MURDOCK, HUSBAND AND WIFE**, (the "Borrower"), for certain work as therein more particularly described, for, in or upon land in **SHELBY County, ALABAMA**, owned or to be owned by the Borrower described on Exhibit "A" hereto (the "Property") on which a single family residence and other buildings and improvements and on-site and off-site improvements are to be constructed, furnished and installed (collectively the ("Project")). Pursuant to the Contract, Contractor has and/or will furnish labor and materials and has and/or will perform construction and other work on the Property, for which Borrower does and/or will owe Contractor.

FIRST FEDERAL BANK, A FEDERAL SAVINGS BANK ("Bank") has entered on **May 28, 1999** into a Loan Agreement and other Loan Documents executed by and between Bank and Borrower relating to a loan to Borrower in the principal amount of up to **\$240,000.00**, a portion of which sum may be used by Borrower to pay Contractor the amount or portions of the amount owed the Contractor by Borrower under the contract. The Loan Agreement requires or will require, if the loan transaction closes, among other things, that Bank obtain a first mortgage lien on the Property and the Project be entitled to priority, to the extent of Bank's interest, over any claim or lien of Contractor for the entire principal amount plus interest, future advances, expenses and charges, all as set forth in the Mortgage and Security Agreement, Deed of Trust, Deed to Secure Debt or other similar instrument (the "Mortgage") recorded or to be recorded in the real estate records of **SHELBY, County, ALABAMA** and other Loan Documents.

NOW THEREFORE, for and in consideration of the premises and in order to induce the Bank to enter into the loan transaction with Borrower and to make advances to Borrower under the Loan Agreement and other Loan Documents, Contractor agrees as follows:

1. Contractor hereby subordinates any and all lien or claim of, or right to, lien relating to mechanics' and materialmen's liens and otherwise with respect to and on the Property and Project, and on the improvements thereon, resulting from or attributable to the services, work and material which have been and may in the future be furnished, performed or provided by contractor or others for Contractor under the contract or otherwise to the claim, lien or interest of Bank, its said successors and assigns, to the extent of the interest of Bank, its successors and assigns, arising out of or related to the Loan, the Mortgage or other Loan Documents.

2. Contractor hereby agrees, to the extent of the interest of Bank, and Bank's successors and assigns, arising out of or relating to the Loan, the Mortgage or other Loan Documents, to indemnify and hold Bank, and Bank's successors and assigns, harmless from any and all claims, suits, or action, liens or claim of, or right to, liens by Contractor, any subcontractor or employee of Contractor or any subcontractor relating to mechanics' and materialmen's liens or otherwise which would have priority over the claim, lien or interest of Bank or Bank's successors and assigns.

3. This Agreement will not inure to or otherwise benefit any third party except the successors and assigns of Bank and the title insurance company providing title insurance on the property and the Project.

Contractor agrees that Bank has no obligation to Contractor with respect to the Loan or any advance thereunder, and that Bank's obligations to Borrower with respect thereto are as, or will be, set forth in certain Loan Documents between Bank and Borrower when and if the Loan is closed with respect to which the Contractor is not

a third party beneficiary. The relationship of Bank to Borrower is one of a creditor to a debtor and Bank is not a joint venturer or partner of Borrower.

It is expressly agreed that nothing herein shall impose upon Bank any obligation for payment or performance in favor of Contractor unless Bank notifies the Contractor in writing, after a default by Borrower, that Bank elects to assert Borrower's rights under the Construction Contract, and that Bank agrees to pay Contractor sums due Contractor thereunder.

IN WITNESS WHEREOF, Contractor has caused this Agreement to be executed and delivered to Bank as of the 28th of May, 1999.

CONTRACTOR

AMBERSON CONSTRUCTION, INC.



BY: **RICHARD C. AMBERSON**
ITS: **PRESIDENT**

STATE OF ALABAMA)
COUNTY OF SHELBY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that **RICHARD C. AMBERSON**, whose name as **PRESIDENT** of **AMBERSON CONSTRUCTION, INC.**, 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/she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 28th day of May, 1999.

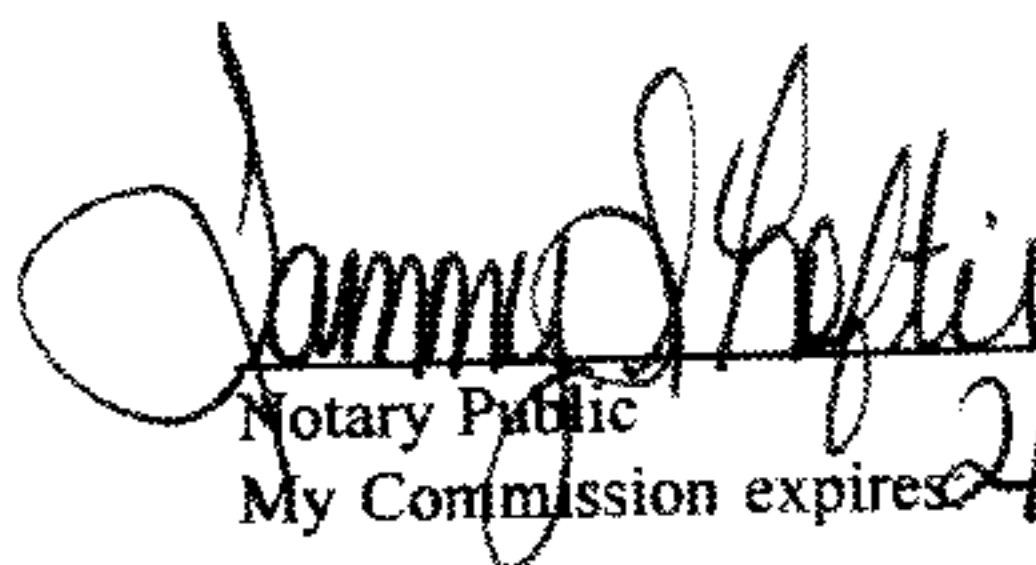

Notary Public
My Commission expires 2/22/2003

EXHIBIT "A"

Description of Mortgaged Property

**LOT 16, ACCORDING TO THE SURVEY OF MILL SPRING ESTATES, 2ND SECTOR,
AS RECORDED IN MAP BOOK 25, PAGE 95, IN THE PROBATE OFFICE OF SHELBY
COUNTY, ALABAMA.**

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