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Shelby Cnty Judge of Probate,AL
06/09/2005 11:00:23AM FILED/CERT

STATE OF ALABAMA)
)
SHELBY COUNTY)

SUBORDINATION AGREEMENT

THIS AGREEMENT is made and entered into on this **25th** day of **May, 2005** by **The Peoples Bank & Trust Company, an Alabama Corporation** (hereinafter referred to as the "Mortgagee") in favor of **Countrywide Home Loans, Inc.**, (hereinafter referred to as the "Mortgage Company"), its successors and assigns.

WITNESSETH:

WHEREAS, Mortgagee did loan to **David E. Ludlum, Jr.** and **wife, C. Dianne Ludlum** (the "Borrower", whether one or more) the sum of **One Hundred Twelve Thousand One Hundred Eighty Dollars and 50/100 ($112,180.50)**, which loan is evidenced by a note dated **May 20, 1993**, executed by Borrower in favor of Mortgagee, and is secured by a mortgage, deed of trust, security deed, deed to secure debt or other security instrument of even date therewith ("the Mortgage") covering the property described therein and recorded in **Instrument No. 1993-15652 corrected and re-recorded in Instrument No. 1993-21052**, in the public records of **Shelby County**, Alabama and

WHEREAS, Borrower has requested the Mortgage Company lend to it the sum of **Seventy-Seven Thousand Dollars and 00/100 ($77,000.00)** (the "Loan"), such Loan to be evidenced by a promissory note in such amount executed by Borrower in favor of the Mortgage Company and secured by a mortgage, deed of trust, deed to secure debt, security deed or other security instrument of even date therewith (the "Mortgage Company"); and

WHEREAS, the Mortgage Company has agreed to make the Loan to Borrower, if, but only if, the Mortgage Company 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 on the terms set forth below and provided that the Mortgage Company will specifically and unconditionally subordinate the lien or charge of the Mortgage to the lien or charge of the Mortgage Company Mortgage on the terms set forth below.

NOW, THEREFORE, in consideration of one dollar and in consideration of the premised and for other good and valuable consideration, the receipt and sufficiency of all which is hereby acknowledge, an in order to induce the Mortgage Company to make the Loan above referred to Mortgagee agrees as follows:

1. The Mortgage Company Mortgage and the note secured by the Mortgage Company Mortgage 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 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 Mortgage Company, prior and superior to the lien or charge to the Mortgage.

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 Mortgage Company, and that it understands that, in reliance upon and in consideration of the 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 by the Mortgage Company 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 Company Mortgage, and as to the priority

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thereof, and there are no agreements, written or orally, outside or separate from this agreement, and all prior negotiations are merged into this agreement.

4. This agreement shall be binding upon the Mortgagee, its successors and assigns and shall inure to the benefit of the Mortgage Company, its successors and assigns.

5. No waiver shall be deemed to be made by the Mortgage Company of any of its rights hereunder unless the same shall be in writing signed on behalf of the Mortgage Company, and each such waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the Mortgage Company or the obligations of the Borrower or the Mortgage to the Mortgage Company hereunder in any respect at any other time.

IN WITNESS WHEREOF, the Mortgagee has caused this instrument to be executed by its duly authorized officer on the day and date first set forth above.

ATTEST

_____

_____

The Peoples Bank & Trust Company

By: John C. Kirby, as Regional President and Authorized Agent for The Peoples Bank & Trust Company, an Corporation

STATE OF ALABAMA)
) ACKNOWLEDGMENT
SHELBY COUNTY)

I, Judy L. Santa Cruz, a Notary Public for the State at Large, hereby certify that the above posted name, John C. Kirby *as Regional President and Authorized Agent for The Peoples Bank & Trust Company, an Alabama 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 said instrument, he as such officer and with full authority executed the same voluntarily for and as the act of said company.

GIVEN UNDER MY HAND AND OFFICIAL SEAL OF OFFICE on this the 25th day of May, 2005.

Judy L. Santa Cruz
NOTARY PUBLIC
My Commission Expires:_____

This Instrument Was Prepared By:
Law Offices of Christopher R. Smitherman, LLC
Post Office Box 261
Montevallo, Alabama 35115
(205) 665-4357

NOTARY PUBLIC, ALABAMA STATE AT LARGE
MY COMMISSION EXPIRES, DECEMBER 11, 2005