



SUBORDINATION AGREEMENT

This subordination agreement is made this _____ day of _____, 20____ by Pentagon Federal Credit Union (PenFed), of 4875 Preston Road, Frisco TX 75034 ("Beneficiary"), and _____, of _____ County, ("Grantor").

RECITALS

- A. The Grantor executed a Deed to Secure Debt on _____, 20____, in favor of the Beneficiary, which was recorded on _____, in book _____, page _____, document (no.) _____ in the office of the _____ of _____ County, _____, ("Beneficiary's Deed to Secure Debt") covering the following described property:

- B. The Beneficiary's Deed to Secure Debt was given as security for a note described therein, for \$ _____ executed on _____, by the Grantor in favor of the Beneficiary.

- C. The Grantor obtained or is about to obtain a loan of \$ _____ from _____ of _____ County, _____, ("Lender"), which will be secured by a new Deed to Secure Debt ("Lender's Deed to Secure Debt").

- D. The Lender requires the Lender's Deed to Secure Debt be prior and superior to the Beneficiary's Deed to Secure Debt.

- E. The Beneficiary is willing to subordinate the lien of the Beneficiary's Deed to Secure Debt in its favor to the extent it encumbers the above-described premises, to the Lender's Deed to Secure Debt so the Grantor may obtain the loan from the Lender.

In consideration of the matters described above, and of the mutual benefits and obligations set forth in this agreement, the parties agree as follows:

SECTION ONE - SUBORDINATION

As an inducement to the Lender to grant the loan to the Grantor, the Beneficiary and the Grantor do hereby agree the Beneficiary's Deed to Secure Debt shall be subordinate to the Lender's Deed to Secure Debt that will be recorded with this subordination agreement. The Beneficiary and the Grantor further agree the lien of the Lender's Deed to Secure Debt shall be and is in all respects a lien prior and superior to the lien of the Beneficiary's Deed to Secure Debt.

SECTION TWO - LOAN TERMS

The terms of the loan from the Lender to the Grantor are as follows: _____. The Beneficiary agrees the Beneficiary's Deed to Secure Debt shall be subordinate to the lender's Deed to Secure Debt under these terms, it being understood the subordination hereunder does alter, diminish or otherwise limit the Beneficiary's rights under the Beneficiary's Deed to Secure Debt.

SECTION THREE - INUREMENT; BINDING EFFECT

This agreement shall inure to the benefit of the Lender, its successors and assigns, and shall be binding on the beneficiary and the Grantor and their respective successors and assigns.

The parties have executed this agreement at _____ on _____.

PENTAGON FEDERAL CREDIT UNION

By: _____

Witness: _____

Printed Name: _____

Title: _____

Witness: _____

State of: _____

County/City of: _____

Personally appeared before me, the undersigned Notary Public in and for the said County/City and State, on this day of _____, _____, the within named _____, who acknowledged s/he is _____ of _____, a corporation, and for and on behalf of the said corporation, and as its act and deed, s/he executed the above and foregoing subordination agreement, after first having been duly authorized by said corporation so to do.

Notary's Signature: _____

Notary's Printed Name: _____

My Commission Expires: _____

GRANTOR

By: _____

State of: _____, County/City of: _____

Personally appeared before me, the undersigned Notary Public in and for the said County/City and State, on this day of _____, _____, the individual named above and acknowledged this instrument was signed and sealed as his/her free and voluntary act and deed for the uses and purposes therein mentioned.

Notary's Signature: _____

Notary's Printed Name: _____

My Commission Expires: _____

GRANTOR

By: _____

State of: _____, County/City of: _____

Personally appeared before me, the undersigned Notary Public in and for the said County/City and State, on this day of _____, _____, the individual named above and acknowledged this instrument was signed and sealed as his/her free and voluntary act and deed for the uses and purposes therein mentioned.

Notary's Signature: _____

Notary's Printed Name: _____

My Commission Expires: _____