

THIS INSTRUMENT PREPARED BY:

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SUBORDINATION AGREEMENT

STATE OF ALABAMA
COUNTY OF SHELBY

This Subordination Agreement, made and entered into on this the ^{4th} day of APRIL, 2003, by and between HERITAGE BANK, as Party of the First Part, and HSBC MORTGAGE CORPORATION (USA), ITS SUCCESSORS AND/OR ASSIGNS, as Party of the Second Part.

WITNESSETH

THAT, WHEREAS, KEVIN SCHAMBEAU AND STEPHANIE SCHAMBEAU, have an outstanding loan in favor of HERITAGE BANK, as set forth in INSTRUMENT #20020508000216610 AND RE-RECORDED IN INSTRUMENT 20020617000284010, in the Office of the Judge of Probate of SHELBY County, Alabama on that certain real estate located at 911 SYCAMORE DR, HOOVER, AL 35244 to secure an indebtedness of \$ 79,300.00 and said lien is in full force and effect; and,

WHEREAS, KEVIN SCHAMBEAU AND STEPHANIE SCHAMBEAU, have made an application to the Party of the Second Part for a loan in the sum of \$322,700.00 and said Party of the Second Part is willing to make said loan to the said KEVIN SCHAMBEAU AND STEPHANIE SCHAMBEAU, provided it furnish the party of the Second Part with a mortgage on the lands described in the aforesaid lien, and the said HERITAGE BANK, subordinate the above described lien and make the same second and subservient to the mortgage of HSBC MORTGAGE CORPORATION (USA), ITS SUCCESSORS AND/OR ASSIGNS; and,

WHEREAS, the said Party of the First Part is willing to subordinate its said lien and make it second and subservient to the mortgage of the said Part of the Second Part as an inducement to it to make said loan.

NOW, THEREFORE, in consideration of the premises, the said Party of the First Part does hereby agree that the lien of KEVIN SCHAMBEAU AND STEPHANIE SCHAMBEAU, to HERITAGE BANK, recorded in the Probate Office of SHELBY County, Alabama in INSTRUMENT #20020508000216610 AND RE-RECORDED IN INSTRUMENT 20020617000284010, shall be second and subservient to the mortgage of KEVIN SCHAMBEAU AND STEPHANIE SCHAMBEAU to HSBC MORTGAGE CORPORATION (USA), ITS SUCCESSORS AND/OR ASSIGNS, and recorded in the Probate Office of SHELBY County, Alabama, in INSTRUMENT # * 20030422000245910, to secure the sum of \$322,700.00, plus interest, on the land described therein, and the said lien of the said HERITAGE BANK, shall be subordinate to the mortgage of HSBC MORTGAGE CORPORATION (USA), ITS SUCCESSORS AND/OR ASSIGNS.

* 20030422000245910

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IT IS FURTHER agreed that should KEVIN SCHAMBEAU AND STEPHANIE SCHAMBEAU, default in his/her/their payments under the terms of the real estate mortgage to HSBC MORTGAGE CORPORATION (USA), ITS SUCCESSORS AND/OR ASSIGNS,, the said HSBC MORTGAGE CORPORATION (USA), ITS SUCCESSORS AND/OR ASSIGNS, agrees to notify HERITAGE BANK of said default prior to taking legal action.

IN WITNESS WHEREOF, GEORGE ^{C.}PELEKIS, as SR. VICE PRESIDENT of said HERITAGE BANK has caused his name to be hereunto signed on this the 4 day of APRIL, 2003.

HERITAGE BANK

BY: George C. Pelekis
As Its: SR. VICE PRESIDENT

STATE OF ALABAMA
COUNTY OF Jefferson

I, the undersigned, a Notary Public in and for said State and County, hereby certify that GEORGE C. PELEKIS, whose name as SR. VICE PRESIDENT of HERITAGE BANK, is signed to the foregoing subordination agreement, and who is known to me, acknowledged before me on this day, that, being informed of the contents of this subordination agreement and with full authority as such officer, executed the same voluntarily.

Given under my hand and seal this 4 day of APRIL, 2003.

Hamberly M Logan
Notary Public

My commission expires: _____

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Nov 19, 2005
BONDED THRU NOTARY PUBLIC UNDERWRITERS