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20040712000384990 Pg 1/2 14.00
Shelby Cnty Judge of Probate, AL
07/12/2004 15:09:00 FILED/CERTIFIED

THIS INSTRUMENT PREPARED BY:

George M. Vaughn, Attorney at Law
Five Riverchase Ridge, Suite 100
Birmingham, Alabama 35244-2893

SUBORDINATION AGREEMENT

STATE OF ALABAMA
COUNTY OF SHELBY

This Subordination Agreement, made and entered into on this the 20TH day of JANUARY, 2004, by and between HERITAGE BANK, as Party of the First Part, and NEW SOUTH FEDERAL SAVINGS BANK, as Party of the Second Part.

WITNESSETH

THAT, WHEREAS, AARON J. BARTELS AND JODY L. BARTELS, HUSBAND AND WIFE, have an outstanding loan in favor of HERITAGE BANK, as set forth in INSTRUMENT #2001/31029, in the Office of the Judge of Probate of SHELBY County, Alabama on that certain real estate located at 325 SAVANNAH CIRCLE, CALERA, ALABAMA 35040 to secure an indebtedness of \$ 29,800.00 and said lien was decreased in INSTRUMENT # 20030107000012290 TO \$ 25,000.00 and said lien is in full force and effect; and,

WHEREAS, AARON J. BARTELS AND JODY L. BARTELS, HUSBAND AND WIFE, 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 AARON J. BARTELS AND JODY L. BARTELS, HUSBAND AND WIFE, 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 NEW SOUTH FEDERAL SAVINGS BANK; 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 AARON J. BARTELS AND JODY L. BARTELS, HUSBAND AND WIFE, to HERITAGE BANK, recorded in the Probate Office of SHELBY County, Alabama in INSTRUMENT #2001/31029, shall be second and subservient to the mortgage of AARON J. BARTELS AND JODY L. BARTELS, HUSBAND AND WIFE to NEW SOUTH FEDERAL SAVINGS BANK, and recorded in the Probate Office of SHELBY County, Alabama, in INSTRUMENT #20030107000012280, to secure the sum of \$160,0000.00 plus interest, on the land described therein, and the said lien of the said HERITAGE BANK, shall be subordinate to the mortgage of NEW SOUTH FEDERAL SAVINGS BANK.

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IT IS FURTHER agreed that should AARON J. BARTELS AND JODY L. BARTELS, HUSBAND AND WIFE, default in his/her/their payments under the terms of the real estate mortgage to NEW SOUTH FEDERAL SAVINGS BANK, the said NEW SOUTH FEDERAL SAVINGS BANK, agrees to notify HERITAGE BANK of said default prior to taking legal action.

IN WITNESS WHEREOF, Sharon Kilgore, as Manager of Loan Operations of said HERITAGE BANK has caused his name to be hereunto signed on this the 20th day of JANUARY, 2004.

HERITAGE BANK

BY: Sharon Kilgore
As Its: Manager of Loan Operations

STATE OF ALABAMA
COUNTY OF Jefferson

I, the undersigned, a Notary Public in and for said State and County, hereby certify that Sharon Kilgore, whose name as Manager of Loan Ops. 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 20th day of JANUARY, 2004.

Anna Rose Carper
Notary Public

My commission expires: NOTARY PUBLIC STATE OF ALABAMA
MY COMMISSION EXPIRES: Feb 14, 2005
BONDED THRU NOTARY PUBLIC UNDERWRITERS