

This Instrument prepared by:  
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Birmingham, AL 35203-2618  
(205) 458-9400

STATE OF ALABAMA )

COUNTY OF PERRY )

### SUBORDINATION AGREEMENT

This Subordination Agreement is made and entered into this 31<sup>st</sup> day of January, 2001, by and between Brent Belcher (hereinafter referred to as "Belcher") and First Commercial Bank (hereinafter referred to as "Bank").

**WHEREAS**, Olon Belcher Lumber Company, Incorporated did on or about August 6, 1996, execute a Mortgage to Belcher covering the property located in Perry County, Alabama, described in Exhibit "A" attached hereto and made a part hereof ("Property") which Mortgage was recorded in the Perry County Probate Office in Mortgage Book 550, Page 275 ("Belcher Mortgage"); and

**WHEREAS**, Olon Belcher Land Company, Incorporated ("Belcher Land") and Olon Belcher Lumber Company, Incorporated ("Belcher Lumber"), the present owners of the Property, have executed an Amended and Restated Mortgage and Security Agreement (as the same may be hereinafter renewed, amended or modified, the "Bank Mortgage"), to Bank covering the Property to secure (a) various notes in the original aggregate amount of \$2,650,000.00, all dated as of December 12, 1997, in favor of Bank as renewed pursuant to those three separate Renewal Promissory Notes effective as of December 12, 1999, and (b) other indebtedness of Belcher Land, Belcher Lumber and their affiliates up to the maximum amount stated in the Bank Mortgage. Two of the said Renewal Promissory Notes have been modified on even date herewith to extend the maturity date thereof (all three Renewal Promissory Notes, as renewed and modified, and as hereinafter renewed, extended, amended or modified, the "Notes"); and

**WHEREAS**, the Bank Mortgage is being recorded simultaneously herewith; and

**WHEREAS**, it is a condition precedent to Bank renewing and/or modifying certain of the Notes that the Bank Mortgage and Notes shall be and remain a lien or charge on the Property prior to and superior to the Belcher Mortgage; and

**WHEREAS**, Bank is willing to renew and/or modify such Notes provided the Bank Mortgage is a lien prior to and superior to the lien of the Belcher Mortgage, and provided Belcher

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will specifically and unconditionally subordinate the lien of the Belcher Mortgage to the Bank Mortgage.

**NOW, THEREFORE**, in consideration of the premises and other valuable consideration, receipt of which is hereby acknowledged, and in order to induce Bank to renew and/or modify such Notes above referred to, it is hereby agreed as follows:

1.     **SUBORDINATION:**           The Bank Mortgage and any renewals, restatements, replacements or extensions of same, and the Notes secured thereby, shall be and remain at all time a lien on the Property prior to and superior to the lien of the Belcher Mortgage.

2.     **ACKNOWLEDGMENT OF SUBORDINATION:**       Belcher hereby acknowledges and specifically waives, relinquishes, and subordinates the priority and superiority of the Belcher Mortgage upon the Property to the Bank Mortgage, and that he understands that in reliance upon and in consideration of this waiver, relinquishment, and subordination, certain Notes will be renewed and/or modified. Belcher acknowledges that such renewals and/or modifications would not be made or entered into but for such reliance upon this waiver, relinquishment, and subordination.

3.     **APPROVAL OF LOAN TRANSACTION:**       Belcher hereby approves, consents and ratifies all provisions of the loan transaction between Belcher Land and the Bank.

4.     **ENTIRE AGREEMENT:**   This agreement contains the entire agreement between Belcher and the Bank with respect to the priority of the mortgages and loan documents described herein, and there are no agreements, written or oral, outside or separate from this agreement with respect to the subject matters contained herein.

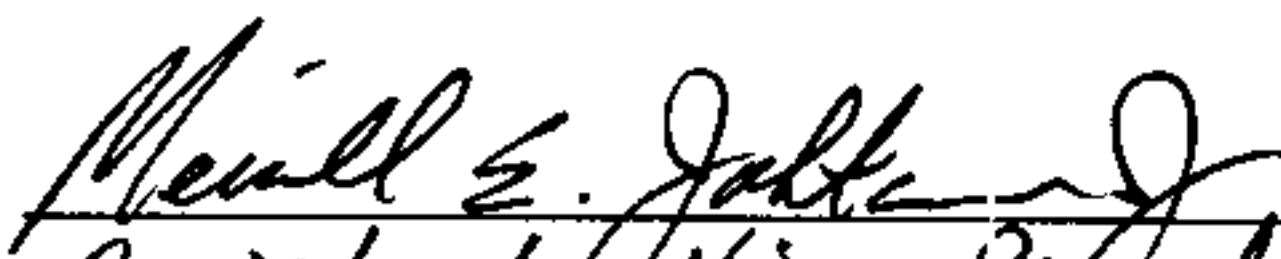
5.     **BINDING EFFECT:**       This agreement shall inure to the benefit and be binding upon the legal representatives, heirs, devisees, successors, and assigns of the parties.

**[SIGNATURES ON FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties have set their hands and seals on the day and year first written above.

  
Brent Belcher

FIRST COMMERCIAL BANK

By:   
Its: Assistant Vice President

STATE OF ALABAMA )

COUNTY OF Jefferson )

I, the undersigned Notary Public in and for said County and State, hereby certify that **Brent Belcher**, whose name 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 the Subordination Agreement, he executed the same voluntarily on the day the same bears date.

Given under my hand this 31<sup>st</sup> day of January, 2001.



[AFFIX SEAL]

Notary Public  
My Commission Expires: \_\_\_\_\_  
NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
MY COMMISSION EXPIRES: Oct 13, 2004  
BONDED THRU NOTARY PUBLIC UNDERWRITERS

STATE OF ALABAMA )

COUNTY OF Jefferson )

I, the undersigned, a notary public, in and for said County in said State, hereby certify that Mervill E Johnston, Jr., whose name as Asst Vice President of First Commercial 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 said Subordination Agreement, he as such officer and with full authority, executed the same voluntarily for and as the act of said corporation, on the day the same bears date.

Given under my hand and official seal this 31st day of January, 2001 .

[AFFIX SEAL]

Deidra McClellan  
Notary Public  
My Commission Expires: \_\_\_\_\_  
NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
MY COMMISSION EXPIRES: Oct 13, 2004  
BOBBED THRU NOTARY PUBLIC UNDERWRITERS



EXHIBIT A

Parcel Group I (Canon Tract)

Section 28, Township 22 North, Range 7 East, Perry Co., AL The W 1/2 of the SW 1/4 of the SW 1/4.

Section 29, Township 22 North, Range 7 East, Perry Co., AL The S 1/2 of the SE 1/4, and the S 1/2 of the SW 1/4.

Section 32, Township 22 North, Range 7 East, Perry Co., AL The W 1/2 of the NE 1/4; the NE 1/4 of the NE 1/4; the SE 1/4 of the NE 1/4 less 12.5 acres off the East side thereof; that part of the N 1/2 of the NW 1/4 lying North and East of public road as follows:

Begin at the NE corner of the NW 1/4 of the NW 1/4, thence West 10 chains, thence South 1.7 chains to road, thence along road South 85 degrees 23 minutes East 0.90 chains, thence South 54 degrees 24 minutes East 3.60 chains, thence South 44 degrees East 2.19 chains, thence South 34 degrees East 6.40 chains, thence South 37 degrees 27 minutes East 11.46 chains to forty line, thence East along forty line 14 chains to the SE corner of the forty, thence North along forty line to the NE corner of the forty, thence West along forty line to the point of beginning.

Section 33, Township 22 North, Range 7 East, Perry Co., AL The NW 1/4 of the NW 1/4 less five acres in the NE corner thereof, and the North twenty five acres of the SW 1/4 of the NW 1/4, less and except the portion of the aforesaid parcels lying South and East of the County Road.

The Canon Tract contains 485 acres, more or less.

Parcel Group II (Crawford Tract)

Section 1, Township 21 North, Range 6 East, Perry Co., AL The NE 1/4 of the SE 1/4.

Section 6, Township 21 North, Range 7 East, Perry Co., AL The S 1/2 of the NW 1/4; the NE 1/4 of the NW 1/4; the N 1/2 of the NE 1/4; the SE 1/4 of the NE 1/4; the N 1/2 of the SW 1/4; the SE 1/4 of the SW 1/4; the SE 1/4 of the SE 1/4.

Section 7, Township 21 North, Range 7 East, Perry Co., AL The NE 1/4 of the NW 1/4; the NW 1/4 of the NE 1/4.

Section 31, Township 22 North, Range 7 East, Perry Co., AL The SE 1/4; the SE 1/4 of the SW 1/4; the SW 1/4 of the NW 1/4; the E 1/2 of the NE 1/4; the W 1/2 of the NE 1/4; the SE 1/4 of the NE 1/4.

Section 32, Township 22 North, Range 7 East, Perry Co., AL The SW 1/4 of the NW 1/4; the NW 1/4 of the SW 1/4; the N 1/2 of the SW 1/4 of the SW 1/4.

The Crawford Tract contains 957 acres, more or less.

JB

Parcel Group III (Gulf States Tract)

Fractional Section 1, Township 20 North, Range 8 East, Perry Co., AL  
The portion of the S 1/2 that lies East of the Marion and Centreville Public Road, and South and East of a ditch and being further described as follows: Begin at the SE corner of said fractional Section 1, thence South 69 degrees 45 minutes West along the South line of said Section a distance of 2435 feet to the Marion and Centreville Public Road, thence with said road North 10 degrees West 527 feet, thence North 3 degrees 45 minutes West 401 feet, thence North 11 degrees East 350 feet to the point the said Public Road crosses the ditch, thence with the said ditch East 1650 feet, thence North 65 degrees East 798 feet to the point the range line between ranges 8 and 9 crosses the said ditch, which point is 225 feet South of the NW corner of the SW 1/4 of the SW 1/4 of Section 6, Township 20 North, Range 9 East, thence South along the range line 1095 feet to the point of beginning.

Section 6, Township 20 North, Range 9 East, Perry Co., AL The SW 1/4 of the SW 1/4.

Section 7, Township 20 North, Range 9 East, Perry Co., AL The NW 1/4 of the NW 1/4.

The Gulf States Tract contains 137 acres, more or less.

Parcel Group IV (USFS 577 Tract)

Section 7, Township 20 North, Range 9 East, Perry Co., AL The E 1/2 of the NW 1/4; the W 1/2 of the NE 1/4; the NE 1/4 of the SW 1/4; the N 1/2 of the SE 1/4; the SE 1/4 of the SE 1/4.

Section 17, Township 20 North, Range 9 East, Perry Co., AL The portion of the NW 1/4 lying West of Little Creek.

Section 18, Township 20 North, Range 9 East, Perry Co., AL The NE 1/4.

THE USFS 577 Tract contains 577 acres, more or less.

*BB*

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