

STATE OF ALABAMA

COUNTY OF SHELBY

SBA Loan #CDC-4841773010 BIR

SUBORDINATION

WHEREAS, Michael D. Young and Marci D. Young, hereinafter termed "Borrower" are presently indebted to First Alabama Bank/Shelby County as evidenced by those certain promissory notes executed by said Borrower in favor of First Alabama Bank/Shelby County, in the combined total amount of Two Hundred Sixty-Seven Thousand Two Hundred Forty-Eight and No/100 Dollars, (\$267,248.00); and

WHEREAS, said notes are secured, among other things, by those certain mortgages executed by said Borrower in favor of First Alabama Bank/Shelby County, dated January 14, 1993, recorded at Instrument 1993-01324 and at Instrument 1993-01325; with the Judge of Probate of Shelby County, Alabama; the real estate taken by said mortgage is more fully described at Instrument 1993-01324 and at Instrument 1993-01325, with the Judge of Probate of Shelby County, Alabama; and to which specific reference is hereby made; and

WHEREAS, said Borrower is desirous of obtaining an additional loan in the amount of One Hundred Twenty-Five Thousand and No/100 Dollars (\$125,000.00) from the Southern Development Council, Inc., an Alabama Corporation, and/or the U. S. Small Business Administration, their successors or assigns, as their interest may appear, for the purpose of land and construction of a new building.

Inst # 1993-01569

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J. Wilson Dismore

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SHELBY COUNTY JUDGE OF PROBATE
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WHEREAS, the Southern Development Council, Inc. and/or the U. S. Small Business Administration require the Borrower to secure said loan with a mortgage on the real estate described at Instrument 1993-01324, and Instrument 1993-01325 and recorded with the Judge of Probate of Shelby County, Alabama, and further requests that First Alabama Bank/Shelby County, subordinate any renewals or future advances made by the Borrower, which are secured by the above mentioned mortgages, in excess of \$148,471.00 to that mortgage being taken by said Southern Development Council, Inc. and/or the U. S. Small Business Administration, their successors or assigns as their interest may appear.

WHEREAS, the parties understand and agree that First Alabama Bank/Shelby County, will receive the proceeds of the Small Business Administration loan obtained by the Borrower, and that the indebtedness of the Borrower will be reduced by the amount received from the Small Business Administration loan, and that a renewal of the indebtedness to First Alabama Bank/Shelby County, will result in a total indebtedness to First Alabama Bank/Shelby County, of no more than \$148,471.00.

NOW THEREFORE, in and for good and valuable consideration, and in order to induce said Southern Development Council, Inc. and/or the U. S. Small Business Administration to make said additional loan to said Borrower, First Alabama Bank/Shelby County does hereby subordinate any renewals or future advances made by the Borrower, except as described in the preceding paragraph if any, and with exception to collection fees and insurance advances

as authorized by their notes and mortgages, which are secured by their mortgages in excess of \$148,471.00 to that mortgage taken by the Southern Development Council, Inc. and/or the U. S. Small Business Administration, their successors or assigns as their interest may appear which secures said additional loan.

IT IS EXPRESSLY AGREED AND UNDERSTOOD that neither this Subordination Agreement nor anything contained herein shall in any way alter or affect the validity of those mortgages of First Alabama Bank/Shelby County, first mentioned herein, or the lien on the items so subordinated herein, or any of the other collateral securing the indebtedness of First Alabama Bank/Shelby County.

IT IS FURTHER EXPRESSLY AGREED AND UNDERSTOOD that this Subordination is to extend only to those mortgages recorded at Instrument 1993-01324 and Instrument 1993-01325; with the Judge of Probate of Shelby County, Alabama; (and any renewal thereof, which reflects the payment of the proceeds of the loan from the SBA as described on page 2 of this agreement. It is contemplated and understood that the Borrower, Oak Tree, Inc., and Michael D. Young and Marci D. Young, will have an indebtedness of no more than 148,471.00, to First Alabama Bank/Shelby County and that indebtedness will be superior and senior to the indebtedness to the Southern Development Council, Inc., and/or the U. S. Small Business Administration, their successors or assigns, as their interest may appear.)

IN WITNESS WHEREOF, First Alabama Bank/Shelby County, has caused this Subordination Agreement to be executed by Anthony Holmes, Senior Vice President, with full authority on behalf of said bank.

THIS, the 14th day of January, 1993.

First Alabama Bank/Shelby County

BY: 

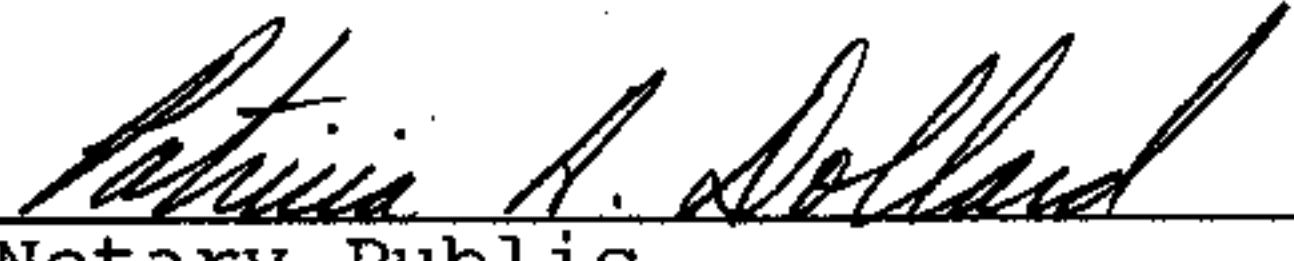
ANTHONY HOLMES
Senior Vice President
First Alabama Bank/Shelby County
Post Office Box 216
Pelham, Alabama 35124

STATE OF ALABAMA

COUNTY OF SHELBY

Before me, the undersigned Notary Public in and for said County in said State, personally appeared Anthony Holmes, with whom I am acquainted, and who, upon oath acknowledged himself to be Anthony Holmes, Senior Vice President of First Alabama Bank/Shelby County, that he, as being authorized so to do, executed and delivered the foregoing Subordination Agreement, freely and voluntarily and with full knowledge of the contents thereof, for the purposes herein expressed, by signing the name of said First Alabama Bank/Shelby County, by himself in full authority.

WITNESS MY HAND and official seal of office in Pelham, Alabama, this the 14th day of January, 1993.


Notary Public
My Commission Expires: 8-16-94

THIS INSTRUMENT PREPARED BY:
J. WILSON DINSMORE
ATTORNEY AT LAW
2107 5th Avenue North
Birmingham, Alabama 35203

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