

SUBORDINATION

WHEREAS, Hill's Chevron, Inc., an Alabama Corporation, hereinafter termed "Borrower" is presently indebted to First Alabama Bank, as evidenced by that certain Promissory Note executed by said Borrower in favor of AmSouth Bank, N.A., dated January 7, 1993, in the original principal amount of \$850,000.00 and assigned to First Alabama Bank on March 1, 1993, and recorded as Instrument # 1993-5998, with the Judge of Probate of Shelby County, Alabama.

WHEREAS, said Note is secured, among other things, by that certain Mortgage executed by said Borrower in favor of AmSouth Bank, N.A., dated January 7, 1993, and recorded as Instrument #1993-00784, with the Judge of Probate of Shelby, Alabama, and assigned to First Alabama Bank on March 1, 1993, and recorded as Instrument # 1993-5998, with the Judge of Probate of Shelby County, Alabama The real estate taken by said Mortgage is more fully described in the attached Exhibit "A" and to which specific reference is hereby made; and

WHEREAS, said Note is also secured by that certain security agreement executed by said Borrower in favor of First Alabama Bank dated January 11, 1993, and recorded in Shelby County, Alabama and with the Alabama Secretary of State;

WHEREAS, said Borrower is desirous of obtaining an additional loan in the amount of \$394,000.00 from the Southern Development Council, Inc., an Alabama Corporation, and/or the U. S. Small Business Administration, their successors or assigns, as

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their interest may appear, for the purpose of purchasing land, the construction of a building, and the purchase and installation of machinery and equipment; and

WHEREAS, the Southern Development Council, Inc. and/or the U. S. Small Business Administration requires the Borrower to secure said loan with a mortgage on the real estate described in Exhibit "A", and also a security agreement, and further requests that First Alabama Bank, subordinate any renewals or future advances made by the Borrower, which are secured by the above mentioned mortgage, and any indebtedness secured by the security agreement in excess of \$475,000.00, to that mortgage and security agreement 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, 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, will result in a total indebtedness to First Alabama Bank, of no more than \$475,000.00.

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, does hereby subordinate any renewals or future advances made by the Borrower, except as described in the preceding paragraph, with exception to collection fees and insurance advances as authorized

by their note, mortgage, and security agreement, which are secured by its mortgage and the security agreement in excess of \$475,000.00 to that mortgage and security agreement 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 wise alter or affect the validity of the mortgage and security agreement of First Alabama Bank, 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.

IT IS FURTHER EXPRESSLY AGREED AND UNDERSTOOD that this Subordination is to extend only to the items listed on the attached Exhibit "A", (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, Hill's Chevron, Inc., an Alabama Corporation, will have an indebtedness of no more than \$475,000.00 to First Alabama Bank, 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, has caused this Subordination Agreement to be executed by **William F. Fleagle**, **Commercial Loan Officer**, with full authority on behalf of said bank.

THIS, the 10<sup>th</sup> day of June, 1993.

**First Alabama Bank**

BY: 


**WILLIAM F. FLEAGLE**  
**Commercial Loan Officer**  
**First Alabama Bank**  
**P. O. Box 10247**  
**Birmingham, AL 35202**

STATE OF ALABAMA

COUNTY OF JEFFERSON

Before me, the undersigned Notary Public in and for said County in said State, personally appeared William F. Fleagle, with whom I am acquainted, and who, upon oath acknowledged himself to be William F. Fleagle, Commercial Loan Officer for First Alabama Bank, 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, by himself in full authority.

WITNESS MY HAND and official seal of office in Birmingham, Alabama, this the 10<sup>th</sup> day of June, 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**

EXHIBIT "A"

STATE OF ALABAMA

COUNTY OF SHELBY

Part of the N.W. 1/4 of Section 6, Township 20 South, Range 2 West, Shelby County, Alabama, which is more particularly described as follows:

Commence at the Northwest corner of the N.W. 1/4 of said section; thence run East along the North line of said 1/4 section for 369.52 feet; thence 90 degrees 00' 00" right and run Southerly for 1,089.47 feet to a point on a traverse line of Old Bishop Creek shown on a survey of a 7.40 acre tract, dated July 11, 1978, made by John E. Norton, Ala. Reg. P.E. and L.S. No. 10287; thence 57 degrees 15' 38" left and run Southeasterly along said traverse for 317.57 feet; thence 26 degrees 59' 56" left and continue along said traverse for 170.50 feet; thence 29 degrees 51' 32" left and run along said traverse for 99.28 feet; thence 54 degrees 36' 27" left and run along said traverse for 293.24 feet to point of spiral of a curve on U.S. Highway 31 So.; thence 05 degrees 40' 36" left to the right of way tangent of said highway; thence reverse course and from said tangent extended Southerly turn an angle to the right of 05 degrees 40' 36" and run along said traverse line for 77.84 feet to the point of beginning; thence 88 degrees 22' 28" right and run Westerly for 203.00 feet; thence 88 degrees 59' 05" left and run Southerly for 278.73 feet to a point on said aforementioned traverse line 50.87 feet east of the 26 degrees 59' 56" left call, said point being also in Old Bishop Creek; thence run along the centerline of said Old Bishop Creek for 261 feet, more or less, to the spiral curve right of way line of U.S. Highway 31 So.; thence run Northerly along said right of way line for 181 feet, more or less; thence run Westerly for 5.02 feet to the Point of Beginning. Said Parcel contains 1.11 acres, more or less.

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