

**SUBORDINATION AGREEMENT**

THIS AGREEMENT is made this 28<sup>th</sup> day of Oct, 1993 (hereinafter the "Agreement") and is by and among **CENTRAL BANK OF THE SOUTH** (hereinafter "Bank") and **WAYMON DOUGLAS RASCO JR.** (hereinafter "Rasco").

WHEREAS, **Jon Patrick Shugrue** and **Sharon R. Shugrue** (hereinafter jointly severally and collectively "Shugrue") is currently indebted to Rasco. Such indebtedness is evidenced by a promissory note (hereinafter "Note") dated September 22, 1987 from Shugrue to Rasco. The Note is secured by a mortgage (hereinafter "Rasco Mortgage") of and concerning the property described on Exhibit "A" attached hereto and incorporated herein by this reference (hereinafter "Real Property"), and a security interest in certain items of industrial equipment and machinery (hereinafter "Personal Property") as evidenced by a Financing Statement recorded at File No 91-40227 in the Office of the Secretary of State of Alabama. The Rasco Mortgage is dated September 22, 1987, is from Shugrue to Rasco, and is recorded in Volume 152 at Page 418, et seq., in the Office of the Judge of Probate of Shelby County, Alabama.

WHEREAS Shugrue has requested Bank to make loans or advances to **BAMA TRUSS & COMPONENTS, INC.** (hereinafter "BAMA"), and Bank has agreed to make such loans, provided, among other things that Shugrue guarantees the loans, that Shugrue gives and grants to Bank a second and third mortgage on the Real Property (hereinafter "Bank Mortgages"), that BAMA grant to Bank a first security interest in the Personal Property, and that Shugrue and Rasco enter into this Agreement and subordinates his rights under the Rasco Mortgage and to the Personal Property to the rights of Bank under the Bank Mortgages and to the Personal Property. Such Bank Mortgages will be filed contemporaneously herewith.

WHEREAS Rasco has agreed to enter into this Agreement.

WHEREAS contemporaneously herewith, BAMA has granted to Bank a security interest in the Personal Property, Shugrue has executed and delivered to Bank the Bank Mortgages, and Bank has made loans to BAMA.

NOW THEREFORE in consideration of \$10.00, Bank making loans to BAMA, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Lien Priority: From and after the date hereof: (a) the Bank Mortgages shall have priority over the Rasco Mortgage and Note; (b) the Bank's security interest in the Personal Property shall have priority over the security interest held by Rasco in the Personal Property; (c) the Rasco Mortgage and Note shall be and at all times remain, subject, inferior, and subordinate to the Bank Mortgages,

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and the obligations secured by the Bank Mortgages; and (d) the security interest held by Rasco in the Personal Property shall be and at all times remain, subject, inferior, and subordinate to the security interest held in the Personal Property by Bank.

The priorities of the mortgages and security interests established, altered, or specified hereinabove shall be applicable, irrespective of the time or order of attachment, perfection, or recordation thereof, the method of perfection, the time or order of filing of mortgages or taking of possession, or the giving of or failure to give notice; provided, however, that the subordinations and relative priorities set forth herein are expressly conditioned upon the due and proper perfection, recordation, and the nonavoidability by a bankruptcy trustee, of any mortgage interest which have been accorded priority pursuant hereto; and provided, further, however, that if any mortgage interest to which any other interest has been subordinated pursuant hereto is not now perfected or recorded, or hereafter ceases to be perfected or recorded, or is avoidable by a bankruptcy trustee for any reason, then, the subordination specified herein with respect to such interests shall, to the extent not perfected, recorded, or avoidable, as the case may be, not be effective.

The relative priorities of any interests which are not established, altered, or specified herein shall exist and continue in accordance with the applicable provisions of law.

2. Contesting Liens or Security Interest: Neither Bank nor Rasco shall contest the validity, perfection, priority or enforceability of any lien or mortgage granted to the other. Bank and Rasco hereby agrees to cooperate in the defense of any action contesting the validity, perfection, priority or enforceability of such liens or mortgage.

3. Additional Loans or Advances: Bank or Rasco at any time and from time to time, may enter into such agreement or agreements with Shugrue or BAMA as they may deem proper, extending the time of payment of, or renewing or otherwise altering the terms of all or any of Shugrue's or BAMA's obligations or debts to Bank and/or Rasco or affecting the security or property underlying any or all of such obligations or debt, or may exchange, sell, release, surrender or otherwise deal with any such security or property, without in any way impairing or affecting this agreement thereby.

4. Credit Investigations: Neither Bank nor Rasco, nor any of their respective directors, officers, agents or employees shall be responsible to the other or to any other person, firm or corporation, Shugrue's or BAMA's solvency, financial condition or ability to repay their obligations to Bank or Rasco, or for any statements of Shugrue or BAMA, oral or written, or for the validity, sufficiency or enforceability of the Shugrue's or BAMA's obligations to Bank or Rasco, or any liens or security interest

granted by Shugrue or BAMA to Bank or Rasco in connection therewith. Bank and Rasco have each entered into their respective financing agreement with Shugrue and BAMA based upon their own independent investigation and make no warranty or representation to the other nor do they rely upon any representation of the other with respect to matters identified or referred to in this paragraph. Neither Bank nor Rasco nor any of their respective directors, officers, agents or employees shall be responsible to the other or to any other person, firm or corporation for the furnishing or sharing of any statements of, or credit, financial or other materials or data receive from Shugrue or BAMA.

5. No Marshalling: Bank and Rasco waive any rights that they may have as against the other to require a marshalling of assets by the other as a condition to the enforcement of their respective liens in the order of priority as is herein set out.

6. Duration: This Agreement shall remain in full force and effect until (i) all obligations of Bama or Shugrue to Bank on the one hand, or Rasco, on the other hand, have been paid and satisfied in full and Bank, on the one hand, or Rasco on the other hand, have terminated and satisfied their security interests and mortgages or (ii) upon the mutual agreement in writing of all parties hereto, whichever is the first to occur.

7. Choice of Law: This Agreement shall be construed and enforced in accordance with the laws of the State of Alabama.

8. Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall constitute one and the same instrument.

**IN WITNESS THEREOF,** Bank and Rasco have executed this Agreement effective as of the date first above written.

**BANK:**

**CENTRAL BANK OF THE SOUTH**

By: *Kelley DeLoach*

(Its CEO)

**RASCO**

*Waymon Douglas Rasco, Jr.* L.S.  
Waymon Douglas Rasco, Jr. (Individually)

[ACCEPTANCE AND ACKNOWLEDGEMENT ON NEXT PAGES]

**SHUGRUE'S & BAMA'S ACCEPTANCE**

Shugrue and BAMA hereby acknowledges receipt of, notice of, consents to, and agrees to be bound by the terms and provisions of the within and foregoing Subordination Agreement as they relate to the relative rights and priorities of Bank and Rasco; provided, however, that nothing in the foregoing Subordination Agreement shall amend, modify, change or supersede the respective terms of the documentation and agreements between Shugrue, BAMA, Bank, and Rasco.

**BAMA:**

**BAMA TRUSS & COMPONENTS, INC.**

By: Pat Shugrue  
J. Patrick Shugrue (Its President)

**SHUGRUE:**

Jon Patrick Shugrue L.S.  
Jon Patrick Shugrue (Individually)  
Sharon R. Shugrue L.S.  
Sharon R. Shugrue (Individually)

STATE OF ALABAMA )  
COUNTY OF JEFFERSON )

**ACKNOWLEDGMENT OF BANK**

I, the undersigned Notary Public in and for said County in said State, hereby certify that Robert Bobbs, whose name as CLO of **CENTRAL BANK OF THE SOUTH** is signed to the foregoing instrument, and who is known to me acknowledged before me on this day that, being informed of the contents of the instrument, she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 28 day of Oct, 1993.

William B. Hurst  
Notary Public  
My Commission Expires: 6/7/95

STATE OF ALABAMA )  
COUNTY OF JEFFERSON )

**ACKNOWLEDGEMENT OF RASCO**

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Waymon Douglas Rasco, Jr, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the

contents of this instrument, he executed the same voluntarily on the day the same bears date.

Given under my hand and official seal, this the 27 day of Oct, 1993.

*William B. Hairston*  
NOTARY PUBLIC  
My Commission Expires: 6/7/95

STATE OF ALABAMA )  
COUNTY OF JEFFERSON )

**ACKNOWLEDGMENT OF BAMA**

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that J. Patrick Shugrue whose name as President of **BAMA TRUSS & COMPONENTS, INC.**, a corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 28 day of Oct, 1993.

*William B. Hairston*  
Notary Public  
My Commission Expires: 6/7/95

STATE OF ALABAMA )  
JEFFERSON COUNTY )

**ACKNOWLEDGEMENT OF SHUGRUE**

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Jon Patrick Shugrue and Sharon R. Shugrue, whose names are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of this instrument, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal, this the 28 day of Oct, 1993.

*William B. Hairston*  
NOTARY PUBLIC  
My Commission Expires: 6/7/95

THIS INSTRUMENT PREPARED BY AND AFTER  
RECORDATION SHOULD BE RETURNED TO  
William B. Hairston III  
Engel Hairston and Johanson P.C.  
P.O. Box 370027  
Birmingham, Alabama 35237

EXHIBIT "A"

TO

MORTGAGE  
LIEN AFFIDAVIT  
LESSOR'S AGREEMENT  
ASSIGNMENT OF LEASE  
SUBORDINATION AGREEMENT  
COLLATERAL ASSIGNMENT OF LEASE & RENTS  
HAZARDOUS SUBSTANCES INDEMNIFICATION AND WARRANTY AGREEMENT

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BORROWER: BAMA TRUSS & COMPONENTS, INC.  
MORTGAGOR: JON PATRICK SHUGRUE & SHARON P. SHUGRUE  
LENDER/MORTGAGEE: CENTRAL BANK OF THE SOUTH

Commence at the Southeast corner of Section 13, Township 22 South, Range 1 West; thence run Westerly along the South boundary line of said Section 13, a distance of 2052.09 feet to a point on the West margin of Church Street, according to Safford's map of Shelby dated 9-20-1890 (not of record); thence turn an angle of 83 degrees 00 minutes to the right and run along the said East margin of Church Street a distance of 243.01 feet to a point at the Northwest corner of Block 2, according to said Safford's map; thence continue in the same direction along the extension of the West line of said Block 2 a distance of 141.3 feet to a point on the centerline of the old L & N Railroad bed; thence turn an angle of 99 degrees 41 minutes 43 seconds to the right and run along the said centerline a distance of 305.0 feet to a point; thence turn an angle of 90 degrees to the left and run a distance of 25.0 feet to the point of beginning on the North right-of-way line of said railroad; thence turn an angle of 90 degrees to the right and run along said right-of-way line a distance of 1040 feet to a point; thence turn an angle of 90 degrees to the left and run a distance of 325 feet to a point; thence turn an angle of 90 degrees 07 minutes to the left and run a distance of 773.22 feet to a point; thence turn an angle of 87 degrees 19 minutes 48 seconds to the left and run a distance of 51.90 feet to a point that is 30 degrees North of and at right angle to the centerline of County Highway 308; thence turn an angle of 90 degrees 09 minutes 38 seconds to the right and run along a line parallel to said centerline for a distance of 49.01 feet to a point; thence turn an angle of 89 degrees 50 minutes 22 seconds to the right and run a distance of 49.48 feet to a point; thence turn an angle of 92 degrees 40 minutes 12 seconds to the left and run a distance of 235.81 feet to a point; thence turn an angle of 97 degrees 13 minutes to the left and run a distance of 175.0 feet to a point; thence turn an angle of 8 degrees 57 minutes 32 seconds to the right and run a distance of 149.34 feet to the point of beginning. Said parcel of land is located in the SE 1/4 of SE 1/4 and SW 1/4 of SE 1/4 of Section 13, Township 22 South, Range 1 West, Shelby County, Alabama.

EXCEPT the rights of way of County Highway 308 and a small portion of the L & N Railroad.

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EX.A