

## SUBORDINATION AGREEMENT

**VAN E. McCLURKIN and MARY SUE McCLURKIN**, hereinafter called "Borrower", whether one or more, have applied or may hereafter apply to **FIRST ALABAMA BANK**, hereinafter sometimes called "Bank", of Birmingham, Alabama for an extension of credit.

In order to induce Bank to extend credit or continue to extend credit to Borrower, upon such terms and conditions as may from time to time be agreed upon by Bank and Borrower, and in consideration thereof, undersigned agrees to subordinate and does hereby subordinate all indebtedness, including interest thereon, hereinafter called "Subordinated Indebtedness", which is now or may at any time hereafter be owing to the undersigned by Borrower in favor of all indebtedness, including interest thereon, hereinafter called "Superior Indebtedness", which is now or may at any time hereafter be owing by Borrower to Bank.

As security for payment of Superior Indebtedness, undersigned hereby transfers and assigns, and authorizes and directs Borrower to pay, to Bank all amounts now or hereafter payable in respect of Subordinated Indebtedness, to be applied to payment of Superior Indebtedness until payment thereon in full.

In the event that proceedings of any nature are filed under the Bankruptcy Act by or against Borrower, or Borrower is involved in insolvency proceedings of any kind, Bank is hereby authorized to file a claim in any and all such proceedings, either in Bank's own name or in the name of undersigned, for all amounts owing by Borrower on Subordinated Indebtedness and to collect and receive all payments and dividends that may be declared or become payable in any such proceedings to be applied to payment of Superior Indebtedness until payment thereof in full; and Bank is hereby irrevocably appointed attorney for undersigned with full power to act in the name of undersigned in all matters pertaining to such proceedings and to receive and receipt for aforesaid payments and dividends.

Undersigned hereby waives presentment and demand with respect to Superior Indebtedness and waives all notices to which undersigned might otherwise be entitled at law or in equity, including notice of acceptance of the benefits hereof, notice of default in payment of Superior Indebtedness, and all other notices whatsoever. Undersigned consents to (a) all extensions or renewals, whether in the same form or otherwise and whenever made, of all or any part of Superior Indebtedness, and (b) any forbearance which may be granted by Bank in enforcing payment of Superior Indebtedness, and (c) release and/or substitution of any property now or hereafter held by Bank as security for Superior Indebtedness.

This Agreement shall inure to the benefit of Bank, its successors and assigns, and to any other holder who derives from Bank title to or an interest in any instrument evidencing any of Superior Indebtedness, and be binding upon undersigned and upon the heirs, personal representatives, successors and assigns of undersigned, but shall not inure to the benefit of Borrower or any other creditors of Borrower, and shall not in any way release Borrower from

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liability for payment of Subordinated Indebtedness, which Subordinated Indebtedness, exclusive of interest, undersigned represents to Bank as being \$52,670.00 as of date of this Agreement.

Undersigned agrees that so long as this Agreement is in effect,

(a) each note or other evidence of indebtedness which may at any time be owned by undersigned evidencing Subordinated Indebtedness be endorsed with an appropriate reference to the existence of this Agreement and the provisions hereof, reading substantially as follows:

"The indebtedness hereby evidenced has been subordinated in favor of and assigned to secure all indebtedness now or hereafter owing by the maker or drawer hereof to First Alabama Bank, Birmingham, Alabama, by agreement dated AUGUST 2, 19 95, on file with said Bank, to which reference is hereby made.", and

(b) each note or other evidence of indebtedness which may at any time be owned by undersigned evidencing Subordinated Indebtedness be deposited and kept on deposit with Bank for safekeeping, and

(c) appropriate endorsement be made and continued upon the books of Borrower referring to the existence of this Agreement and the provisions hereof.

This Agreement shall become effective immediately and shall continue in full force and effect indefinitely, unaffected by death or incompetency of undersigned, until notice in writing signed by undersigned or by undersigned's personal representative and stating the desire to terminate this Agreement, shall have been actually received by any officer of Bank authorized by Bank to receive such notice; and notwithstanding such notice, this Agreement shall thereafter continue in force and effect until payment of all Superior Indebtedness existing at the time of such receipt of such written notice, including interest thereon and any extensions or renewals thereof.

EXECUTED AND DELIVERED at Birmingham, Alabama on the 2ND day of AUGUST, 19 95.

**ALABAMA BUTANE COMPANY, INC.**

By: Van E. McChesney  
Its: VP

## RECEIPT AND AGREEMENT

VAN E. McCLURKIN and MARY SUE McCLURKIN, being Borrower mentioned above, hereby acknowledge receipt of a copy of the foregoing Subordination Agreement, hereinafter called "Agreement", this 2ND day of AUGUST, 19 95, acknowledge that said Agreement correctly states the amount of subordinated indebtedness, hereinafter called "Subordinated Indebtedness", now owing from said Borrower to the above signer(s) of said Agreement, which amount is not subject to any defense, setoff, counterclaim of Borrower, and so long as said Agreement is effective, agrees to:

(a) endorse upon each note or other evidence of indebtedness which Borrower may at any time hereafter issue or deliver to evidence any Subordinated Indebtedness an endorsement as provided for in said Agreement, and

(b) make and continue upon Borrower's books, endorsement(s) setting forth an appropriate reference to existence of said Agreement and the provisions thereof, and

(c) conform to all terms and provisions of said Agreement.

Borrower represents to First Alabama Bank that Borrower has no knowledge of any other assignment, transfer or subordination applicable to Subordinated Indebtedness.

EXECUTED this 2ND day of AUGUST, 19 95.

  
VAN E. McCLURKIN

  
MARY SUE McCLURKIN

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10:02 AM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
003 MCD 13.50