

STATE OF ALABAMA

SBA LOAN NUMBER:

COUNTY OF SHELBY

CDC 8464583003 BIR

SUBORDINATION

WHEREAS, Wilson Oil Company, Inc., an Alabama Corporation hereinafter termed "Borrower" is presently indebted to St. Clair Federal Savings Bank, as evidenced by that certain Promissory Note executed by said Borrower in favor of St. Clair Federal Savings Bank, in the original principal amount of \$850,000.00; and

WHEREAS, said Note is secured, among other things, by that certain Mortgage and Security Agreement executed by said Borrower in favor of St. Clair Federal Savings Bank, mortgage and security agreement recorded on July 5, 1995, at Instrument 1995-17509 with the Judge of Probate of Shelby County, Alabama; the real estate taken by said Mortgage and Security Agreement is more fully described as follows:

Lot 2, according to the survey of F E S addition to Alabaster Number Two, as recorded in Map Book 19, Page 72, in the Probate Office of Shelby County, Alabama.

WHEREAS, said Note is also secured by that certain security agreement executed by said Borrower in favor of St. Clair Federal Savings Bank, which was filed with the Alabama Secretary of State and with the Judge of Probate in Shelby County, Alabama;

01/19/1996-01888
10:33 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 MEL 16.00

Inst # 1996-01888

WHEREAS, said Borrower is desirous of obtaining an additional loan in the amount of \$353,000.00 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 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 require the Borrower to secure said loan with a Mortgage on the real estate described above, and also a security agreement, and further requests that St. Clair Federal Savings Bank, subordinate any renewals or future advances made by the Borrower; which are secured by the above mentioned mortgage and the amendment to mortgage, and any indebtedness secured by the security agreement in excess of \$425,000.00, 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 St. Clair Federal Savings 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 St. Clair Federal Savings Bank, will result in a total indebtedness to St. Clair Federal Savings Bank, of no more than \$425,000.00.

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, St. Clair Federal Savings 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 security agreement in excess of \$425,000.00 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 St. Clair Federal Savings Bank, first mentioned herein, or the lien on the items so subordinated herein, or any of the other collateral securing the indebtedness of St. Clair Federal Savings Bank.

IT IS FURTHER EXPRESSLY AGREED AND UNDERSTOOD that this Subordination is to extend only to the mortgage and security agreement, (and any renewal thereof, which reflects the payment of the proceeds of the loan from the U.S. Small Business Administration as described on page two of this agreement. It is contemplated and understood that the Borrower, Wilson Oil Company, Inc., will have an indebtedness of no more than \$425,000.00 to St. Clair Federal Savings 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, St. Clair Federal Savings Bank, has caused this Subordination Agreement to be executed by Joe A. Yates, Vice President, with full authority on behalf of said bank.

THIS, the 16th day of January, 1996.

ST. CLAIR FEDERAL SAVINGS BANK


**JOE A. YATES, VICE PRESIDENT
ST. CLAIR FEDERAL SAVINGS BANK
308 Martin Street
Pell City, Alabama 35125**

**STATE OF ALABAMA
COUNTY OF ST. CLAIR**

Before me, the undersigned Notary Public in and for said County in said State, personally appeared Joe A. Yates, Vice President, with whom I am acquainted, and who, upon oath acknowledged himself to be Joe A. Yates, Vice President for St. Clair Federal Savings 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 St. Clair Federal Savings Bank, by himself in full authority.

**WITNESS MY HAND and official seal of office in ~~Birmingham~~ ^{PELL CITY}, Alabama,
this the 16th day of January, 1996.**


**NOTARY PUBLIC
My Commission Expires 9-16-97**

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

Inst # 1996-01888

**01/19/1996-01888
10:33 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 HEL 16.00**