

PRIOR LIENHOLDER'S AGREEMENT

This PRIOR LIENHOLDER'S AGREEMENT is by and between FIRST ALABAMA BANK (the "Prior Lienholder") and BIRMINGHAM CITY WIDE LOCAL DEVELOPMENT COMPANY (hereinafter along with its successors and assigns, the "CDC").

RECITALS

WHEREAS, ANDREW DON OLVEY and ELLEN S. OLVEY, each individually and DIVERSIFIED SALES, INC. (doing business as DON'S CARPET ONE) (the "Borrower") is the owner of the real estate described on the attached Exhibit A (the "Real Estate"). Prior Lienholder has made a loan in the original principal amount of \$513,000.00 (the "Prior Loan"). The Prior Loan is secured by a first Mortgage dated July 13, 1995 and recorded as Instrument # 1995-18893 in the Office of the Judge of Probate of Shelby County, Alabama (the "Prior Mortgage").

WHEREAS, CDC has agreed to make a loan in the amount of \$238,000.00 (the "504 Loan") to Borrower. The 504 Loan will be secured by a mortgage (the "504 Mortgage") to be recorded in the Office of the Judge of Probate of Shelby County, Alabama, contemporaneously with this agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the foregoing recitals, the mutual agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Balance of the Prior Loan. Following the funding of the 504 Loan, Prior Lienholder will receive \$228,000.00 from CDC in accordance with instruction given to CDC by Borrower. Such \$228,000.00 will reduce the note secured by the Prior Mortgage and Life Insurance, and the principal balance of the Prior Loan will upon such reduction be no more than \$285,000.00, and will be the only obligation superior to Borrower's obligations to CDC which are secured by the Mortgage.

2. Subordination of Future Advances. Except for liens arising from advances under the Prior Mortgage intended to preserve the Real Estate and made pursuant to the Prior Mortgage, any lien securing any sum advanced to Borrower by Prior Lienholder after the date of this Agreement will be subordinate to the lien created by the 504 Mortgage.

3. Waiver of Enforcement of Covenant Not to Encumber the Real Estate. If the Prior Mortgage or any document evidencing the Prior Loan contains any provision prohibiting Borrower from further encumbering the Real Estate, Prior Lienholder waives its right to

Prior-L.Agr 7/9/96 4:25pm

11/12/1996-37359
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SHELBY COUNTY JUDGE OF PROBATE
004 MCD 16.00

Inst # 1996-37359

Cahaba Title

enforce any such provision as it might apply to the lien arising from the 504 Mortgage securing or any document evidencing the 504 Loan.

4. Notice of Default Under the Prior Loan. If an event of default occurs under the Prior Mortgage or any document evidencing the Prior Loan, Prior Lienholder will give CDC and the U.S. Small Business Administration (the SBA) written notice of the event of default within thirty (30) days after the occurrence of the event of default. After an event of default, Prior Lienholder will not sell all or any portion of the Real Estate without giving CDC and the SBA at least sixty (60) days' prior written notice of its intent to sell the Real Estate or any portion thereof. Notice under this Section shall be deemed to have been given when sent by certified or registered mail, return receipt requested, addressed, as the case may be, to CDC, BIRMINGHAM CITY WIDE LOCAL DEVELOPMENT COMPANY at 710 North 20th Street, Birmingham, Alabama 35203, and to the SBA at its Birmingham District Office, Suite 200, 2121 Eighth Avenue North, Birmingham, Alabama 35203-2398, Attention: District Counsel.

5. Successors and Assigns. This Agreement shall inure to the benefit of and bind the respective parties to this Agreement and their successors and assigns.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 8 day of Nov, 1996.

FIRST ALABAMA BANK

By [Signature]

(Its Sup.)

ACKNOWLEDGED AND CONSENTED TO: .

[Signature]
ANDREW DON OLVEY (individually)

[Signature]
ELLEN S. OLVEY (individually)

DIVERSIFIED SALES, INC.
(doing business as DON'S CARPET ONE)

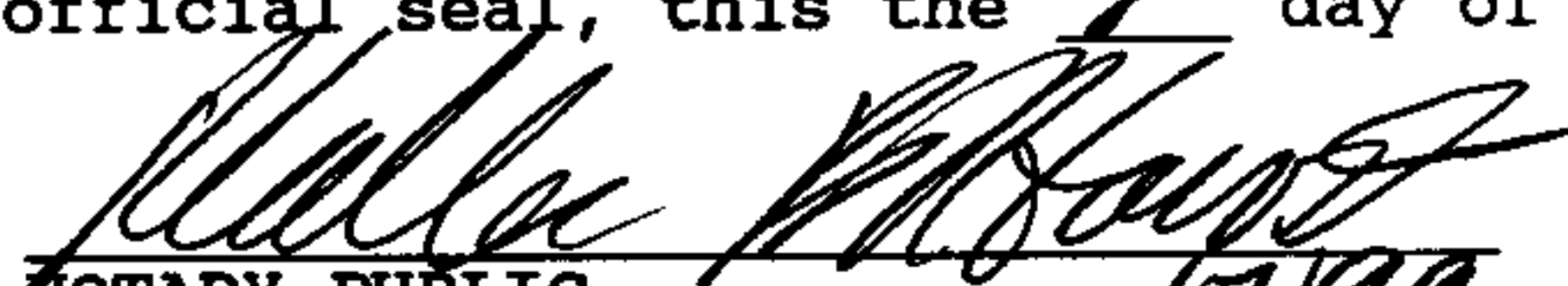
By: [Signature]
Andrew Don Olvey
(Its President)

[ACKNOWLEDGMENT ON NEXT PAGE]

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that S. E. Newkirk, whose name as Sa Vice President of FIRST ALABAMA BANK, 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 said instrument, he/she, as such officer, and with full authority, executed the same voluntarily, as an act of said corporation, acting in his/her capacity as aforesaid.

Given under my hand and official seal, this the 7 day of November, 1996.


NOTARY PUBLIC
My Commission Expires: 6/7/99

THIS INSTRUMENT PREPARED BY:
Karen B. Johns
ENGEL HAIRSTON & JOHANSON, P.C.
4th Floor 109 North 20th Street
P.O. Box 370027
Birmingham, Alabama, 35237-0027
(205) 328-4600

EXHIBIT "A"

TO

**MORTGAGE
LIEN AFFIDAVIT
LESSOR'S AGREEMENT
ASSIGNMENT OF LEASE
FINANCING STATEMENT (UCC-1)
PRIOR LIENHOLDER'S AGREEMENT
ASSIGNMENT OF LEASES AND RENTS
ESTOPPEL CERTIFICATE AND ATTORNEY AGREEMENT
HAZARDOUS SUBSTANCE INDEMNIFICATION AND WARRANTY AGREEMENT**

BORROWER: **ANDREW DON OLVEY and ELLEN S. OLVEY, each
individually and DIVERSIFIED SALES, INC. (doing
business as DON'S CARPET ONE)**

LENDER: **BIRMINGHAM CITY WIDE LOCAL DEVELOPMENT COMPANY**

**Lot 3-A, according to the Survey of Lots 1
through 7, Greystone Highlands Commercial
Subdivision, as recorded in Map Book 20 page
25, in the Probate Office of Shelby County,
Alabama; being situated in Shelby County,
Alabama.**

Mineral and mining rights excepted.

Inst # 1996-37359

Ex.a 7/10/96 10:25am

**11/12/1996-37359
09:31 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 MCD 16.00**