

PRIOR LIENHOLDER'S AGREEMENT

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

RECITALS

WHEREAS, MICHAEL L. GUNTER ENTERPRISES, INC. (n/k/a GUNTER OIL COMPANY, INC.) (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 \$1,233,641.00 (the "Prior Loan"). The Prior Loan is secured by a first Mortgage recorded January 17, 1996 as Instrument # 1996 - 01653 in the Office of the Judge of Probate of Shelby County, Alabama (the "Prior Mortgage"). The Prior Loan is further secured by a security interest in the equipment and machinery (the "Equipment") owned by Borrower (the "Security Interest") and such Security Interest is evidenced by UCC-1 Financing Statement # 1996-01656 & # 96-03054 recorded with the Secretary of State of Alabama.

WHEREAS, CDC has agreed to make a loan in the amount of \$567,000.00 (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, and a security interest in the Equipment.

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 \$548,285.00 from CDC in accordance with instruction given to CDC by Borrower. Such \$548,285.00 will reduce the note secured by the Prior Mortgage, Security Interest, and Life Insurance, and the principal balance of the Prior Loan will upon such reduction be no more than \$685,356.00, and will be the only obligation superior to Borrower's obligations to CDC which are secured by the Mortgage, and the Security Interest.

2. Subordination of Future Advances. Except for liens arising from advances under the Prior Mortgage or Security Interest intended to preserve the Real Estate or Equipment and made pursuant to the Prior Mortgage or Security Interest, 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

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Mortgage and the security interest in favor of CDC in the Equipment.

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 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 29 day of January, 1997.

REGIONS BANK (formerly known as
FIRST ALABAMA BANK)

By Ch R H
(Its Vice President)

ACKNOWLEDGED AND CONSENTED TO:

MICHAEL L. GUNTER ENTERPRISES, INC.
(n/k/a) GUNTER OIL COMPANY, INC.

By: Michael L. Gunter
Michael L. Gunter
(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 Charles R. Herndon, whose name as Vice President of REGIONS BANK (formerly known as 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 15 day of January, 1997.

Kim R. Guy
NOTARY PUBLIC
My Commission Expires: _____

MY COMMISSION EXPIRES MAY 5, 1999

THIS INSTRUMENT PREPARED BY:
William B. Hairston, III.
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
PRIOR LIENHOLDER'S AGREEMENT
HAZARDOUS SUBSTANCE INDEMNIFICATION AND WARRANTY AGREEMENT**

BORROWER: GUNTER OIL COMPANY, INC.

LENDER: BIRMINGHAM CITY WIDE LOCAL DEVELOPMENT COMPANY

Commence at the Northwest corner of the Southwest 1/4 of Section 23, Township 21 South, Range 3 West, Shelby County, Alabama and run Easterly along the North line of said quarter section a distance of 878.68 feet to the point of beginning of the tract of land herein described; thence continue Easterly along said quarter line for 609.75 feet to a point on the Westerly right of way line of Alabama Highway #119; thence turn 72 degrees 52 minutes 10 seconds right to the tangent of a curve to the left, said curve having a radius of 2,904.79 feet, and run Southeasterly along said curve and said right of way line for 520.11 feet to a point; thence turn 45 degrees 38 minutes 58 seconds right from the tangent to said curve at said point and run Southwesterly 99.69 feet to a point on the Northerly right of way line of Shelby County Highway #80; thence turn 62 degrees 29 minutes 18 seconds right to the tangent of a curve to the right, said curve having a radius of 1,869.86 feet, and run Westerly along said curve and said right of way line for 199.84 feet to the point of a tangent to said curve; thence run Westerly along said tangent to said curve for 510.07 feet; thence turn 87 degrees 22 minutes 28 seconds right and run 631.82 feet to the point of beginning.

Minerals and mining rights excepted.

Inst # 1997-04169

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