

PRIOR LIENHOLDER'S AGREEMENT

This PRIOR LIENHOLDER'S AGREEMENT is by and between SOUTHTRUST BANK (the "Prior Lienholder") and SOUTHERN DEVELOPMENT COUNCIL, INC. (hereinafter along with its successors and assigns, the "CDC").

RECITALS

WHEREAS, WILLIAM B. FERNAMBUCQ AND CHARISSE A. FERNAMBUCQ (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 \$226,532.00 (the "Prior Loan"). The Prior Loan is secured by a first Mortgage dated August 8, 1996 and recorded in Book 199 Page 26304 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 \$107,000.00 (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 \$101,486.00 from CDC in accordance with instruction given to CDC by Borrower. Such \$101,486.00 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 \$125,046.00, 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 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 Mortgage.

3. Waiver of Enforcement of Covenant Not to Encumber the Real Estate. If the Prior Mortgage or any document evidencing the

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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, SOUTHERN DEVELOPMENT COUNCIL, INC. at 4101-C Wall Street, Montgomery, Alabama 36106, 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 27th day of February, 1997.

SOUTHRUST BANK

By Carole Stanek
(Its Vice President)

ACKNOWLEDGED AND CONSENTED TO:

William B. Fernambuco
WILLIAM B. FERNAMBUCO

Charisse A. Fernambuco
CHARISSE A. FERNAMBUCO

STATE OF ALABAMA)
SHELBY COUNTY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Carole Starcik, whose name as Vice President of SOUTHRUST 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, she, as such officer, and with full authority, executed the same voluntarily, as an act of said corporation, acting in her capacity as aforesaid.

Given under my hand and official seal, this the 27th day of February, 1997.

Audria Burney
NOTARY PUBLIC
My Commission Expires: 2-26-2001

THIS INSTRUMENT PREPARED BY:
Tamara Y. Lee
Southern Development Council, Inc.
4101-C Wall Street
Montgomery, AL 36106
(334) 244-1801

EXHIBIT "A"

A parcel of land situated in the South half of the Northwest quarter of the Southwest quarter of Section 31, Township 19 South, Range 2 West, Shelby County, Alabama, and being more particularly described as follows:

Commence at the Northwest corner of the Northwest quarter of the Southwest quarter of Section 31, Township 19 South, Range 2 West, Shelby County, Alabama; thence proceed South 0 degrees 19 minutes 52 seconds West along the West line of said quarter-quarter, 654.74 feet to a point; thence proceed South 87 degrees 49 minutes 10 seconds East, 458.14 feet to and iron pin set, said point also being to the point of beginning; thence continue along previous course, 100.00 feet to an iron pin set; thence South 2 degrees 08 minutes 18 seconds West, 161.50 feet to an iron pin set; thence North 87 degrees 51 minutes 42 seconds West, 100.00 feet to an iron pin set; thence North 2 degrees 08 minutes 18 seconds East, 161.57 feet to the point of beginning.

Minerals and mining rights excepted.

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