

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, BRIAN EUGENE MILLWEE, STEPHANIE LAMBERTH MILLWEE and SPECIALTY ADHESIVES, 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 \$229,140.00 (the "Prior Loan"). The Prior Loan is secured by a first Mortgage dated this date and recorded in Instrument 2001-14319 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").

WHEREAS, CDC has agreed to make a loan in the amount of \$108,000.00 (the "504 Loan") to Borrower. The 504 Loan will be secured by a mortgage (the "504 Mortgage") dated this date and recorded as Instrument 2001-14320 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 \$101,840.00 from CDC in accordance with instruction given to CDC by Borrower. Such \$101,840.00 will reduce the note secured by the Prior Mortgage, and Security Interest, and the principal balance of the Prior Loan will upon such reduction be no more than \$127,300.00, 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, Prepayment Fees, Late Fees, and Increased Post-Default Interest Fees. Except for advances made for reasonable costs of collection, maintenance and protection of the Prior Mortgage or Security Interest, the Prior Lienholder hereby subordinates to the 504 Loan and the lien(s) securing the 504 Loan (a) any sum advanced to the Borrower by the Prior Lienholder after the date of this Agreement and (b) any prepayment penalties, late fees, and increased default interest in connection with the Prior Loan.

3. Compliance with 504 Loan Program Requirements. Prior Lienholder confirms that the note and all other documents executed in connection with the Prior Loan (a) evidence a loan that does not exceed the principal amount permitted by the Authorization for Debenture

Guarantee (SBA 504 Loan) issued by the U.S. Small Business Administration ("SBA") to CDC to assist Borrower, (b) have no open-ended features and allow only future advances for the reasonable costs of collection, maintenance and protection of the Prior Lienholder's lien thereunder, (c) are not cross-collateralized with any other financing now or hereafter to be provided by Prior Lienholder, (d) have no early call features, (e) are not payable on demand unless the Prior Loan is in default, (f) have a term of at least, and do not require a balloon payment prior to, ten years for a 20-year 504 loan or seven years for a 10-year 504 loan, (g) have a reasonable interest rate that does not, and will not, exceed the maximum interest rate for a third party loan as published by SBA, and (h) do not establish a preference in favor of the Prior Lienholder as compared to CDC or SBA other than the Prior Lienholder's senior lien position. The Prior Lienholder agrees that if any provision in the note or any other document executed in connection with the Prior Loan does not comply with these requirements, then the Prior Lienholder waives its right to enforce any such provision.

4. 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.

5. Notice of Default Under the Prior Loan. If any default, event of default or delinquency, upon which the Prior Lienholder intends to take action, occurs under the Prior Mortgage or Security Interest or any document executed in connection with the Prior Loan, then the Prior Lienholder agrees to give the CDC and the U.S. Small Business Administration (the "SBA") written notice of such default, event of default or delinquency and the opportunity to cure or to purchase the note evidencing the Prior Loan and the Prior Mortgage prior to foreclosure. Such notice must be given within thirty (30) days after the default, event of default or delinquency upon which the Prior Lienholder intends to take action and at least sixty (60) days prior to the date of any proposed sale and the Prior Lienholder will not sell all or any portion of its collateral without giving the CDC and the SBA such notice. Notice under this Agreement shall be deemed to have been given when sent by certified or registered mail, return receipt requested, addressed, as the case may be, to the CDC, SOUTHERN DEVELOPMENT COUNCIL, INC. at 8132 Old Federal Road, Montgomery, Alabama, 36117-8007, and to the SBA at its Birmingham District Office, Suite 201, 801 Tom Martin Drive, Birmingham, Alabama 35211, Attention: District Counsel.

6. 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 ____ day of March, 2001.

SOUTHTRUST BANK

By _____

(Its Vice President)

ACKNOWLEDGED AND CONSENTED TO:


Brian Eugene Millwee


Stephanie Lamberth Millwee

SPECIALTY ADHESIVES, INC.

By: 
Brian Eugene Millwee (Its President)

STATE OF ALABAMA)
JEFFERSON COUNTY)

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

Given under my hand and official seal, this the 15 day of March, 2001.


NOTARY PUBLIC

My Commission Expires: 6/7/03

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

BORROWER: BRIAN EUGENE MILLWEE, STEPHANIE LAMBERTH
LENDER: MILLWEE and SPECIALTY ADHESIVES, INC.
SOUTHERN DEVELOPMENT COUNCIL, INC.

A parcel of land situated in the NW ¼ of the NE ¼ of Section 12, Township 20 South, Range 3 West, Shelby County, Alabama, being more particularly described as follows:

Commence at the SW corner of the NW ¼ of the NE ¼ of said Section 12; thence North 00 degrees 25 minutes East along West line of said ¼ - ¼ a distance of 225.46 feet; thence South 84 degrees 18 minutes 35 seconds East a distance of 111.38 feet; thence North 10 degrees 01 minutes 25 seconds East a distance of 502.91 feet; thence North 28 degrees 47 minutes 25 seconds East a distance of 505.14 feet; thence South 61 degrees 12 minutes 35 seconds East a distance of 25.0 feet to a point on the Easterly ROW line of Chandalar Place (50 foot ROW); said point being the point of beginning; thence North 28 degrees 47 minutes 25 seconds East along said ROW line a distance of 107.83 feet; thence leaving said ROW line South 68 degrees 33 minutes 34 seconds East a distance of 111.13 feet; thence South 22 degrees 0 minutes 0 seconds West a distance of 91.39 feet; thence North 75 degrees 42 minutes 35 seconds West a distance of 125.0 feet to the point of beginning.

SUBJECT TO: i) taxes and assessments for 2001, a lien but not yet payable; ii) easement for storm sewer lines recorded in Real 173, page 581; iii) mineral and mining rights and rights incident thereto recorded in Real 130, page 98; and iv) less and except any part of subject property lying within a road right of way.

04/13/2001-14322
02:30 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 HEL 20.00

Inst # 2001-14322