


STATE OF ALABAMA)
COUNTY OF SHELBY)


20021211000620950 Pg 1/3 20.00
Shelby Cnty Judge of Probate, AL
12/11/2002 11:24:00 FILED/CERTIFIED

PRIOR LIENHOLDER AGREEMENT

This PRIOR LIENHOLDER AGREEMENT, dated this 3rd day of December, 2002, by and between BANK OF THE WEST, and ALABAMA COMMUNITY DEVELOPMENT CORPORATION, the Certified Development Company (the "CDC"), recites and provides:

RECITALS

BIRMINGHAM MARBLEWORKS, LLC (the "Borrower") is the owner of the real property described on the attached Exhibit A (the "Real Estate").

Bank of Alabama made a loan to Borrower in the amount of One Hundred Fifty Five Thousand Three Hundred and No/100 Dollars (\$155,300.00) (the "Interim Lender Loan") which is secured by a Mortgage on the Real Estate dated December 3, 2002, to be recorded in the Probate Office of Shelby County, Alabama (the "Interim Mortgage").

Bank of the West made a loan to Borrower in the amount of Two Hundred Twenty Thousand and No/100 Dollars (\$220,000.00) (the "Third Party Lender Loan") which is secured by a Mortgage on the Real Estate dated December 3, 2002, to be recorded in the Probate Office of Shelby County, Alabama (the "Third Party Mortgage").

CDC has agreed to make a loan in the amount of One Hundred Sixty Three Thousand and No/100 Dollars (\$163,000.00) (the "504 Loan") to Borrower. The 504 Loan will be secured by a Mortgage (the "504 Mortgage") to be recorded immediately prior hereto in office of the Shelby County Probate Office, Alabama.

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 Loan. At the date hereof, the balance of the Third Party Lender Loan is Two Hundred Twenty Thousand and No/100 Dollars (\$220,000.00). All loan proceeds have been disbursed. Borrower is current on its payments on the Third Party Lender Loan and is not in default. Following the making of the 504 Loan, Bank of Alabama will receive One Hundred Fifty Five Thousand Three Hundred and No/100 Dollars (\$155,300.00) from CDC to pay off the Interim Lender Loan and shall satisfy the Interim Mortgage. The SBA 504 Mortgage shall then be a second lien junior to the Third Party Lender Loan secured by the Third Party Mortgage in the amount of Two Hundred Twenty Thousand and No/100 Dollars (\$220,000.00).

2. Subordination of Future Advances and Default Charges. Except for liens arising from reasonable advances under the Third Party Lender Mortgage intended to preserve the Real Estate and made pursuant to the Third Party Lender Mortgage, any lien securing any sum advanced to the Borrower by Bank of the West after the date of this Agreement and any prepayment penalties, late fees, default interest or other default charges in connection with the Third Party Lender Loan 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 Third Party Lender Mortgage or any document evidencing the loan contain any provision prohibiting Borrower from further encumbering the Real Estate, Bank of the West 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. Compliance with 504 Loan Program Requirements. Bank of the West confirms that the note and all other documents executed in connection with the Third Party Lender 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 Bank of the West's lien thereunder, (c) are not cross-collateralized with any other financing now or hereafter to be provided by the Bank

of the West, (d) have no early call features, (e) are not payable on demand unless the Third Party Lender 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 Bank of the West as compared to CDC or SBA other than the Bank of the West's senior lien position. The Bank of the West agrees that any provision in the note or any other document executed in connection with the Third Party Lender Loan does not comply with these requirements, then the Bank of the West waives its right to enforce such provision.

5. Notice of Default Under the Loan. If a default occurs under the Third Party Lender Mortgage or any document evidencing the Third Party Lender Loan upon which Bank of the West intends to take action, Bank of the West will give CDC and the SBA written notice of the default within thirty (30) days after the occurrence of the default. After such a default, Bank of the West 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, Alabama Community Development Corporation, 117 South Crest Drive, Birmingham, AL 35209, Attention: Diane D. Roehrig, and to the SBA at Alabama District Office, 801 Tom Martin Drive, Suite 201, Birmingham, AL 35211, Attn: 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.

WITNESS the following signatures on the date written above:

BANK OF THE WEST

By: Gail A. Scott

Printed Name: Gail A. Scott

Title: AVP

CALIFORNIA
STATE OF ~~ALABAMA~~)
COUNTY OF NEVADA)

The foregoing Prior Lienholder Agreement was acknowledged before me in the above jurisdiction this 44 day of December, 2002, by Gail A. Scott, as AVP of BANK OF THE WEST, on behalf of said lender.

[Notary Seal]

[Signature]
NOTARY PUBLIC
My Commission Expires: 10-2-05



EXHIBIT A

Legal Description

Lot 21, according to the Survey of Owens Industrial Park, First Addition, as recorded in Map Book 11, Page 2, in the Probate Office of Shelby County, Alabama.

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