

THIS INSTRUMENT WAS PREPARED BY:
FOSTER D. KEY, ATTORNEY AT LAW
POST OFFICE BOX 360345
BIRMINGHAM, ALABAMA 35236

STATE OF ALABAMA)
COUNTY OF SHELBY)

SUBORDINATION AGREEMENT

THIS AGREEMENT is made and entered into on this 3 day of Sept, 2018, by TEXHOST, LLC (hereinafter referred to as the "Mortgagee") in favor of MUTUAL SAVINGS CREDIT UNION (hereinafter referred to as the "Credit Union"), its successors and assigns.


WITNESSETH:

WHEREAS, Mortgagee did loan to Karsons International, Inc., and Nouman Akbar Malik (the "Borrower", whether one or more) the sum of Nine Hundred Sixty Eight Thousand and 00/100 (\$968,000.00), which loan is evidenced by a note dated May 14, 1996, executed by Borrower in favor of the Money Store Commercial Mortgage Inc. and is secured by a mortgage, deed of trust, security deed, deed to secure debt or other security instrument of even date therewith (the "mortgage") and recorded in Instrument # 1996-15785 in the office of Judge of Probate in Shelby County, Alabama which said mortgage was assigned to ALMA Group, LLC by Restated Assignment of Mortgage recorded on June 24, 2002 as Instrument No. 20020624000294740; which said mortgage was assigned to CS Assets, LLC by Restated Assignment of Mortgage recorded on June 24, 2002 as Instrument No. 20020624000294750; which said mortgage was assigned to Texhost, LLC by Assignment of Mortgage recorded on July 19, 2002 as Instrument No. 20020719000337540; covering the property described therein, to wit:

Lot 9-A being a Resurvey of Lot 9, Malk Subdivision as recorded in Map Book 39 page 43 in the Probate Office of Shelby County, Alabama.

WHEREAS, the Mortgagee is the beneficiary and holder of certain rights outlined in that certain Amended Plan of Reorganization filed in the United States Bankruptcy Court for the Northern District of Alabama Southern Division in the case styled in Re: Karsons International, Inc., Cloverleaf Motel, Inc. And Nouman Akbar Malik, BK Case No. 02-09409 through 02-09411, and additionally in case number 10-07307-TBB-11, including, without limitation, all obligations as set forth in the Term Sheet to the aforesaid Amended Plan of Reorganization, as amended by the Amendment to Term Sheet (hereinafter, as amended, the "Bankruptcy Plan"), which Bankruptcy plan included certain rights pertaining to the property described above (the "Property").

WHEREAS, Borrower has requested that Mutual Savings Credit Union lend to (him, her them) the sum of One Million Five Hundred Thousand Dollars (\$1,500,000.00) (the "Loan"), such Loan to be evidenced by a promissory note in such amount executed by Borrower in favor of Mutual Savings Credit Union and secured by a mortgage, deed of trust, deed to secure debt, security deed or ether security instrument of even date therewith; and


20181015000364620 1/3 \$21.00
Shelby Cnty Judge of Probate: AL
10/15/2018 09:58:52 AM FILED/CERT

WHEREAS, the Credit Union has agreed to make the Loan to Borrower, if, but only if, the Credit Union mortgage shall be and remain a lien or charge upon the property covered thereby prior and superior to the lien or charge of the Mortgagee on the terms set forth below and provided that the Mortgagee will specifically and unconditionally subordinate the lien or charge of the mortgage to the lien or charge of the Credit Union on the terms set forth below. Credit Union has declined to make such loan unless the undersigned's rights pursuant to the Bankruptcy Plan, including, without limitation, all lien, rights, rights of first refusal/offer, and indebtedness of Karsons to the undersigned be subordinated to and made subject and inferior to the aforesaid loan from Credit Union and the mortgage securing same,

NOW THEREFORE, in consideration of one dollar and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, and in order to induce the Credit Union to make the Loan above referred to, Mortgagee agrees as follows:

1. The Credit Union mortgage and the note secured by the Credit Union mortgage and the debt evidenced by such note and any and all renewals and extensions thereof, or of any part thereof, and all interest payable on all of said debt and on any and all such renewals and extensions shall be and remain at all times a lien or charge on the property covered by the Credit Union mortgage prior and superior to the lien or charge of the Mortgagee.

2. Mortgagee acknowledges that it intentionally waives, relinquishes, and subordinates the priority and superiority of the lien or charge of the mortgage in favor of the lien or charge of the Credit Union, and that it understands that, in reliance upon and in consideration of this waiver, relinquishment, and subordination, specific loans and advances are being and will be made, and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into by the Credit Union which would not be made or entered into but for such reliance upon this waiver, relinquishment and subordination.

3. Mortgagee additionally subordinates all its rights, title or interest under said outstanding Bankruptcy Plan, and all indebtedness referenced therein, or otherwise, in or to the property described therein (including the "Property") as against aforesaid loan to be made by the Credit Union secured by the above-described Property pursuant to the mortgage, including, without limitation, (i) all liens and security interest referenced in Paragraph 2 of the Term Sheet (as amended) reference above, including all security interests in "all personal property of Holiday Inn Express" as set forth in subsection (b) of Paragraph 2 of the aforesaid Term Sheet (as amended) reference about, (ii) all interest of the undersigned in the "Second Lien Note" in the amount of \$400,000.00 and all security interests and liens reference in Paragraph 3 of the aforesaid Term Sheet (as amended) relating thereto, and (iii) all rights of the undersigned contained in Paragraph 10 of the aforesaid Term Sheet (as amended) relating to a right of first refusal to purchase the aforesaid Property and the "Residence" (as defined in the aforesaid Term Sheet, as amended), so that the Credit Union mortgage shall convey title to the above-described Property superior to the undersigned's rights pursuant to the Bankruptcy Plan and superior to the indebtedness referenced therein and secured thereby. The undersigned further subordinates all right, title and interest under aforesaid Bankruptcy Plan and the indebtedness referenced therein or secured thereby to any and all other extensions and/or renewals of the debt secured by the Credit Union mortgage and any advances made by Credit Union to Karsons authorized by the loan documents by and between Karsons and Credit Union. The undersigned further acknowledges and agrees that no escrow arrangement was ever established as set forth in Paragraph 2, subsection (d) of the aforesaid Term Sheet, as amended, it being acknowledged by the undersigned that the undersigned does



20181015000364620 2/3 \$21.00
Shelby Cnty Judge of Probate, AL
10/15/2018 09:58:52 AM FILED/CERT

hereby waive all rights to require an escrow arrangement and the delivery of the General Warranty Deed referenced nor the common stock of Karsons International, Inc., it being acknowledged by the undersigned that the undersigned waives all rights to receive a General Warranty Deed from Karsons or any stock of Karsons.

4. This agreement contains the entire agreement between the parties hereto as to the loan secured by the Mortgagee and the Loan secured by the Credit Union, and as to the priority thereof, and there are no agreements, written or oral, outside or separate from this agreement, and all prior negotiations are merged into this agreement.

5. This agreement shall be binding upon the Mortgagee, its successors and assigns and shall inure to the benefit of the Credit Union, its successors and assigns.

6. No waiver shall be deemed to be made by mortgagee of any of its rights hereunder unless the same shall be in writing signed on behalf of mortgagee and each such waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the Credit Union or the obligations of the Borrower or the Mortgagee to the Credit Union hereunder in any other respect at any other time.

7. In the event Borrower becomes in default on their loan with Credit Union, or if any event of default is triggered by Borrower, Credit Union will provide Mortgagee with a 10 day notice of said default, and right to cure said default, prior to Credit Union invoking any acceleration of the loan with Borrower. Said notice will be provided to Mortgagee at the following address:

1248 Austin Highway #106-253 San Antonio TX
78209

IN WITNESS WHEREOF, the Mortgagee has caused this instrument to be executed by its duly authorized officer on the day and date first set forth above.

TEXHOST, LLC
Mortgagee

By:
Its:

[Signature]
Manager

ACKNOWLEDGMENT FOR CORPORATION

STATE OF TEXAS
COUNTY OF Bexar

I the undersigned authority, a Notary Public, in and for said county in said state hereby certify that John Mosher whose name as manager of Texhost, LLC, a Nevada Limited Liability Company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, he is informed of the contents of said instrument, and (s)he, upon as such officer, and with full authority, executed the same voluntarily for and as the act of said manager.

Given under my hand and official seal, this 5th day of September 2018.

Emily Jane Cupp
NOTARY PUBLIC

My commission expires: 06/11/22

20181015000364620 3/3 \$21.00
Shelby Cnty Judge of Probate, AL
10/15/2018 09:58:52 AM FILED/CERT

