

THIS INSTRUMENT PREPARED BY:

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Inst # 1998-39623

10/09/1998-39623

10:51 AM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE

004 CRH 16.00

STATE OF ALABAMA)

MORTGAGE SUBORDINATION AGREEMENT

COUNTY OF SHELBY)

THIS MORTGAGE SUBORDINATION AGREEMENT ("Agreement"), is executed this 18th day of September, 1998, by and among Greystone Farms North, L.L.C. (hereinafter called "GFN"), Compass Bank (hereinafter called "Compass") and Equine Partners, L.L.C. (hereinafter called "Equine").

P R E A M B L E

A. Compass is the holder of a certain Future Advance Mortgage, Assignment of Rents and Leases and Security Agreement, dated November 20, 1996, given to it by GFN, as Mortgagor, to secure the indebtedness of GFN to Compass in the original principal amount of \$3,250,000, together with interest and other sums referred to therein, as recorded in the Office of the Judge of Probate of Shelby County, Alabama as Instrument # 1996-38580, as amended pursuant to that certain First Loan Modification Agreement and Mortgage Amendment dated March 27, 1997 and recorded in the Office of the Judge of Probate of Shelby County, Alabama, as Instrument # 1997-10185 to secure additional debt in the amount of \$1,925,000, and that certain Second Loan Modification Agreement and Mortgage Amendment dated on or about the date hereof to secure additional debt in the amount of \$720,000 (hereinafter called the "GFN Mortgage"). The GFN Mortgage given by GFN encumbers certain premises situated in Shelby County, Alabama, more particularly described therein (hereinafter called the "Premises").

B. Compass is the holder of a certain Accommodation Mortgage and Security Agreement dated June 29, 1998, given to it by GFN, as mortgagor, to secure the indebtedness of Equine to Compass in the original principal amount of \$6,932,000 (hereinafter called "Junior Mortgage"), which was recorded as Instrument # 1998-27120 in the Office of the Judge of Probate of Shelby County, Alabama. Said Junior Mortgage likewise encumbers the Premises.

NOW, THEREFORE, intending to be legally bound and for the sum of \$10.00 and other good and valuable consideration, the receipt of which is hereby acknowledged, GFN, Equine and Compass hereby covenant and agree as follows:

A G R E E M E N T

1. The Junior Mortgage is and henceforth shall be, subject and subordinate in lien, priority and distribution to the lien of the GFN Mortgage, and Compass and Equine agree that any and all right, claim, lien, title and interest of Compass or which Compass may hereafter acquire in the Premises and any improvements, fixtures or other property now or hereafter located thereon pursuant to the Junior Mortgage, is and will at all times be subordinate, junior, subject to, and inferior to the lien, security interest, and all terms, provisions of the GFN Mortgage and any renewals, extensions, or other modifications thereof, including, without limitation, any and all modifications to the indebtedness and obligations secured by the GFN Mortgage, and any replacements or substitutions thereof and all agreements and documents relating to any of the foregoing.

2. This Agreement is a continuing agreement and shall remain in full force and effect until such time as the GFN Mortgage is satisfied of record or Compass specifically consents in writing to its termination.

3. The provisions of this Agreement are solely for the benefit of GFN and Compass, and shall not be deemed to modify any of the agreements executed and delivered in connection with the GFN Mortgage, or the Junior Mortgage or to waive any of the rights of GFN or Compass, as the case may be.

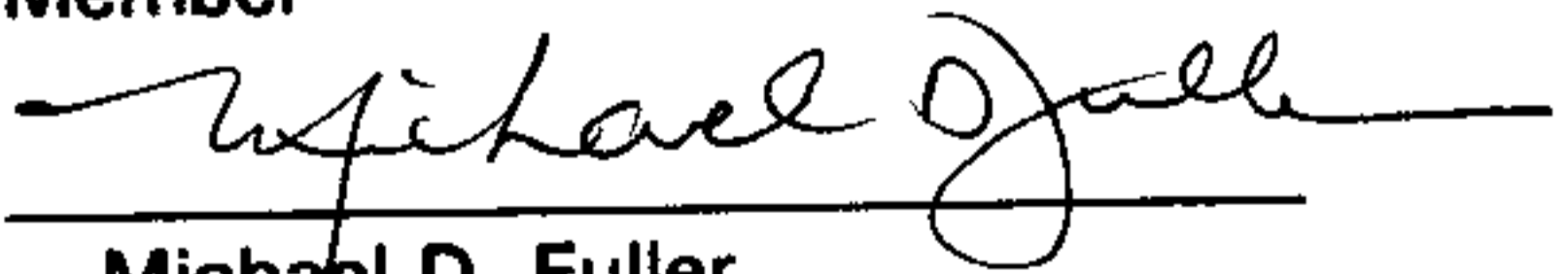
4. This Agreement may be amended or modified only by written instrument signed by Compass and GFN.

5. This Agreement and all terms, conditions and provisions hereof shall be binding upon and inure to the benefit of Compass, Equine and GFN, and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date and year first above written.

GREYSTONE FARMS NORTH, L.L.C.

By: Tyrol, Inc.
Its: Member

By: 
Michael D. Fuller
Its: President

EQUINE PARTNERS, L.L.C.

By: Tyrol, Inc.
Its: Member

By: *Michael D. Fuller*
Michael D. Fuller
Its President

COMPASS BANK

By: *David M. [Signature]*
Its: *Vice President*

STATE OF ALABAMA

COUNTY OF *Jefferson*

I, the undersigned, a notary public in and for said county in said state, hereby certify that Michael D. Fuller, as President of Tyrol, Inc., an Alabama corporation, as Member of **GREYSTONE FARMS NORTH, L.L.C.**, 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 such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation acting in its capacity as member as aforesaid.

Given under my hand and official seal this *18th* day of September, 1998.

[Notarial Seal]

Mary P. Thornton
Notary Public
My Commission Expires: *5/24/99*

STATE OF ALABAMA

COUNTY OF Jefferson

I, the undersigned, a notary public in and for said county in said state, hereby certify that Michael D. Fuller, as President of Tyrol, Inc., an Alabama corporation, as Member of **EQUINE PARTNERS, L.L.C.**, 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 such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation acting in its capacity as member as aforesaid.

Given under my hand and official seal this 18TH day of September, 1998.

Mary P. Thornton
Notary Public
My Commission Expires: 5/24/99

[Notarial Seal]

STATE OF ALABAMA

COUNTY OF Jefferson

I, the undersigned, a notary public in and for said county in said state, hereby certify that Travis G. McKay, whose name as Vice President of **COMPASS 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 such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 18TH day of September, 1998.

Mary P. Thornton
Notary Public
My Commission Expires: _____

[Notarial Seal]

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