

This Instrument Prepared By:

John G. Lowther, P.C.
Attorney at Law
3500 Independence Drive
Birmingham, AL 35209

**STATE OF ALABAMA
COUNTY OF SHELBY**

PRIOR LIENHOLDER'S AGREEMENT

This PRIOR LIENHOLDER'S AGREEMENT is by and between Aliant Bank (hereinafter the "Prior Lienholder") and Southern Development Council, Inc., (hereinafter along with its successors and assigns, the "CDC").

RECITALS

WHEREAS, Mexican Restaurant, L. L. C., (the "Borrower") is the owner of the real estate described in the attached Exhibit "A" (the "Real Estate"); and Prior Lienholder has made loans in the original principal amounts of \$475,000.00 (the "\$475,000.00 Prior Loan"), and \$380,000.00 (the "\$380,000.00 Prior Loan"), (collectively the "Prior Loans"); and, the Prior Loans are secured by Mortgages, dated May 27, 1998, and recorded, respectively, as Instrument # 1998-19374, (the "Prior First Mortgage"), and as Instrument # 1998-19376, (the "Prior Second Mortgage"), in the Office of the Judge of Probate of Shelby County, Alabama.

WHEREAS, CDC has agreed to make a loan in the amount of \$394,000.00 (the "504 Loan") to Borrower; and 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 Loans.** Following the funding of the 504 Loan, Prior Lienholder will receive \$380,000.00 from CDC in accordance with instruction given to CDC by Borrower. Such \$380,000.00 will reduce the \$380,000.00 Prior Loan secured by the Prior Second Mortgage, and the principal balance of the Prior Loans will upon such reduction be no more than \$475,000.00, and will be the only obligation superior to Borrower's obligations to CDC which are secured by the 504 Mortgage.

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2. **Subordination of Future Advances and Default Charges.** Except for liens arising from advances under the Prior First Mortgage or Prior Second Mortgage, intended to preserve the Real Estate and made pursuant to the Prior First Mortgage or Prior Second Mortgage, any lien securing any sum advanced to Borrower by Prior Lienholder after the date of this Agreement and any prepayment penalties, late fees, default interest or other default charges in conjunction with the Prior Loans 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 First Mortgage or the Prior Second Mortgage or any document evidencing the Prior Loans 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 First Mortgage, the Prior Second Mortgage, or any document evidencing the Prior Loans, Prior Lienholder will give CDC and the U.S. Small Business Administration (the SBA) written notice of the default within thirty (30) days after the occurrence of the default. After a 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.

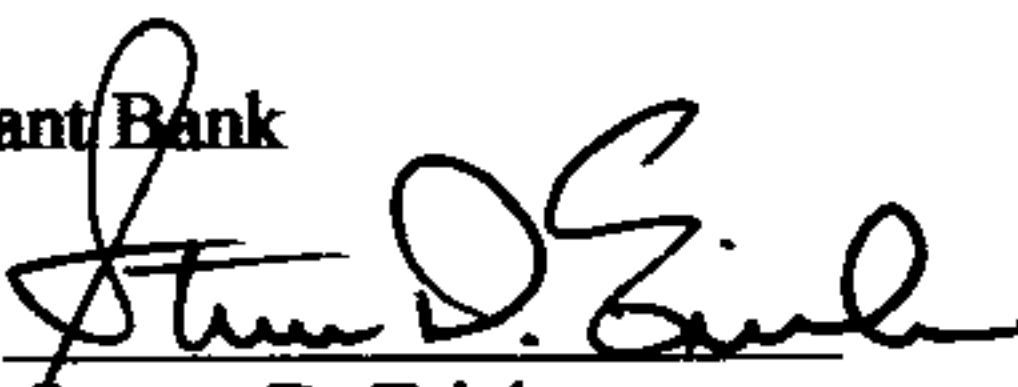
5. **Successors and Assigns.** This Agreement shall inure to the benefit of and bind the respective parties to this Agreement and their successors and assigns.

IN WITNESS WHEREOF, We have hereunto set our hands and seals this 21 day of January, 1999.

PRIOR LIENHOLDER:

Aliant Bank

By:


Steven D. Erickson,
CEO and President

CDC:

Southern Development Council, Inc.

By:


M. H. Forrester,
Assistant Vice President

ACKNOWLEDGED AND CONSENTED TO:

BORROWER:

Mexican Restaurant, L. L. C.

By: Mark W. DiGiorgio
Mark W. DiGiorgio, Manager

By: Ronald D. Goodwin
Ronald D. Goodwin, Manager

Jose Chavez Garcia, a proprietor d/b/a
San Marcos Restaurant

By: Jose Chavez Garcia
Jose Chavez Garcia, Proprietor

GUARANTORS:

Ladco, Inc.

By: Mark W. DiGiorgio
Mark W. DiGiorgio, Vice President

Goodwin Development Properties, Inc.

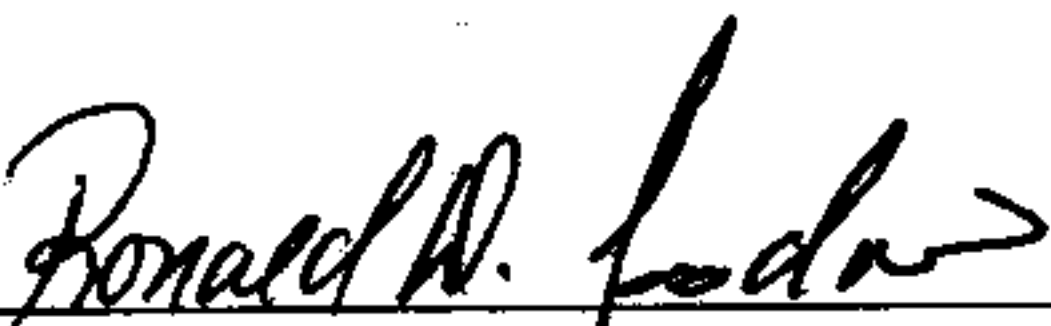
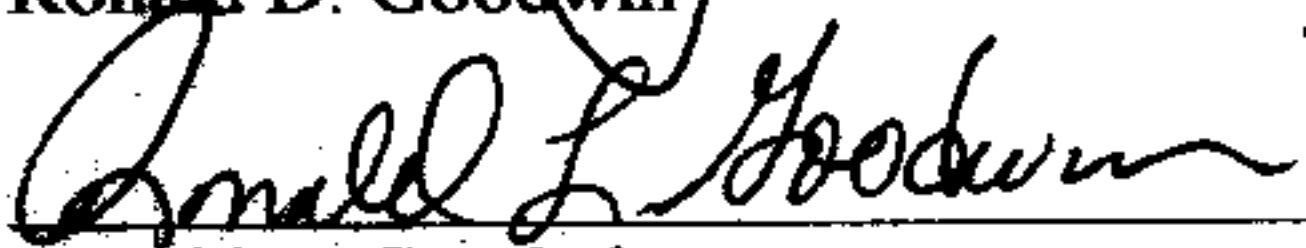
By: Ronald D. Goodwin
Ronald D. Goodwin, Vice President

George R. DiGiorgio
George R. DiGiorgio

Mark W. DiGiorgio
Mark W. DiGiorgio

William R. DiGiorgio
William R. DiGiorgio

Jose Chavez Garcia
Jose Chavez Garcia

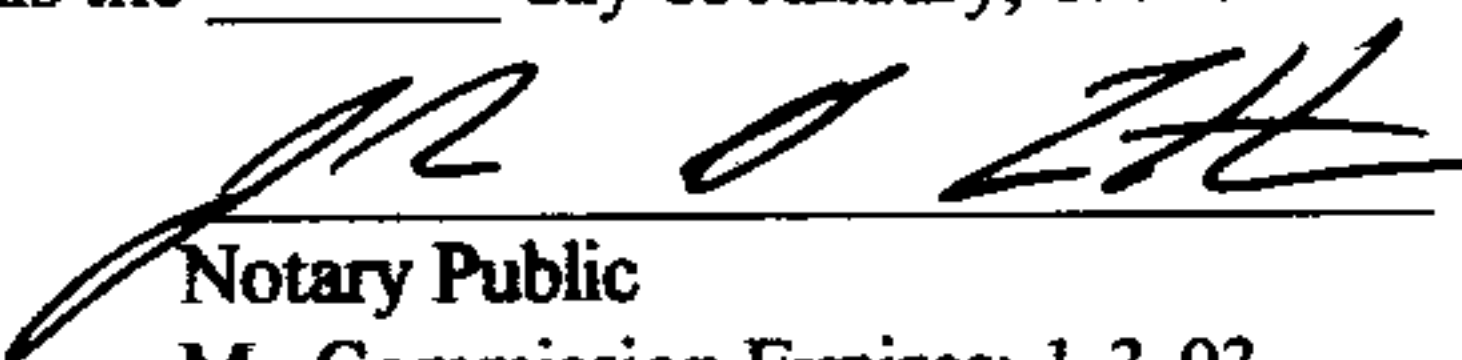

Ronald D. Goodwin

Ronald L. Goodwin

STATE OF ALABAMA
JEFFERSON COUNTY

Acknowledgment of Aliant Bank

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Steven D. Erickson, whose name as President and CEO of Aliant Bank, 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 Bank, acting in his capacity as aforesaid.

Given under my hand and official seal this the 21 day of January, 1999.

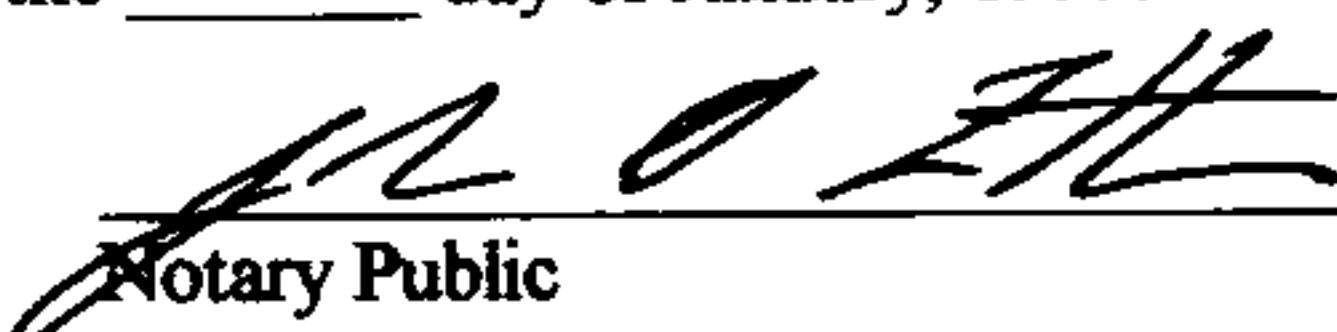

Notary Public
My Commission Expires: 1-3-03

STATE OF ALABAMA
JEFFERSON COUNTY

Acknowledgment of CDC

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that M. H. Forrester, whose name as Assistant Vice President of Southern Development Council, Inc., 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 21 day of January, 1999.



Notary Public
My Commission Expires: 1-3-03

STATE OF ALABAMA
COUNTY OF JEFFERSON

Acknowledgment of Borrower Mexican Restaurant, L. L. C.

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Mark W. DiGiorgio and Ronald D. Goodwin, whose names as Managers of Mexican Restaurant, L. L. C., are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, as such Managers and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand this 21 day of January, 1999.


Notary Public
My Commission Expires: 1-3-03

STATE OF ALABAMA
JEFFERSON COUNTY

Acknowledgment of Ladco, Inc.

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Mark W. DiGiorgio, whose name as Vice President of Ladco, Inc., 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 21 day of January, 1999.

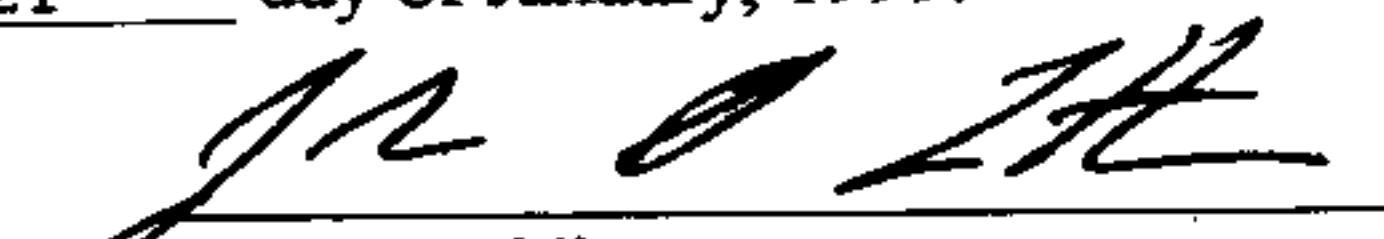

Notary Public
My Commission Expires: 1-3-03

STATE OF ALABAMA
JEFFERSON COUNTY

Acknowledgment of Goodwin Development Properties, Inc.

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Ronald D. Goodwin, whose name as Vice President of Goodwin Development Properties, Inc., 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 21 day of January, 1999.


Notary Public
My Commission Expires: 1-3-03

STATE OF ALABAMA
COUNTY OF JEFFERSON

Acknowledgment of Individuals

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that George R. DiGiorgio, Mark W. DiGiorgio, William R. DiGiorgio, Jose Chavez Garcia, Ronald D. Goodwin, and Ronald L. Goodwin, whose names are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they executed the same voluntarily.

Given under my hand this 21 day of January, 1999.


Notary Public
My Commission Expires: 1-3-03

EXHIBIT "A"

A Parcel of land situated in Section 31, Township 19 South, Range 2 West, situated in Shelby County, Alabama, being more particularly described as follows:

Commence at the Northwest corner of the Southeast 1/4 of Section 31, Township 19 South, Range 2 West, Shelby County, Alabama, and run in Easterly direction along the North line of said Section a distance of 329.55 feet to a point, said point lying on the Southwesterly boundary line of Cahaba Valley Park North, as recorded in Map Book 13, Pages 140a and 140b, in the Office of the Judge of Probate of Shelby County, Alabama; thence turn a deflection angle of 60 degrees, 17 minutes, 38 seconds to the right and run in a Southeasterly direction along said boundary line of Cahaba Valley Park North a distance of 1010.09 feet to a point, said point being an iron pin found at the Northeast corner of the real property that is described in Inst. #1994-08119, as recorded in the Office of the Judge of Probate of Shelby County, Alabama; thence turn a deflection angle of 88 degrees, 06 minutes, 12 seconds and run to the right in a Southwesterly direction on a line that is 250 feet Northwest of the Northwesterly right of way of Alabama Highway No. 119, a distance of 577.12 feet to a point, said point being the point of beginning of the parcel herein described; thence continue along last described course in a Southwesterly direction 406.08 feet to a point; thence turn an interior angle of 86 degrees, 27 minutes, 28 seconds and run to the right in a Northwesterly direction a distance of 135.00 feet to a point; thence turn an interior angle of 93 degrees, 32 minutes, 32 seconds and run to the right in a Northeasterly direction a distance of 402.20 feet to a point on the Southwesterly right of way of Southgate Drive, as recorded in Map Book 20, Page 98, Shelby County Probate Office; thence turn an interior angle of 88 degrees, 06 minutes, 12 seconds and run to the right in a Southeasterly direction along said right of way a distance of 134.81 feet to the point of beginning.

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