

STATE OF ALABAMA

LOAN CDC 744 521 3008

COUNTY OF SHELBY

SUBORDINATION AGREEMENT

WHEREAS, Philip S. Gannuscio and Theresa S. Gannuscio, each individually and Olde Pirate, Inc. d/b/a Village market and Deli, hereinafter termed "Borrower" (whether one or more), is presently indebted to the U.S. Small Business Administration (hereinafter "SBA"), an agency and instrumentality of the United States of America, as evidenced by that certain Promissory Note executed the 26th day of June 1995, and assigned to the SBA, in the original principal amount of \$341,000.00; and,

WHEREAS, said Note is secured, among other things, by that certain Mortgage, hereinafter termed "SBA Mortgage", dated the 26 day of JUNE, 1995, and recorded on the 5 day of July, 1995, in the Office of the Judge of Probate of Shelby County, Alabama, in Book 1995 at Page(s) 17417; and,

WHEREAS, said Borrower is desirous of obtaining a loan in the amount of not more than \$361,000.00 from AmSouth Bank (hereinafter "Lender") their successors or assigns, as their interest may appear, for the purpose of refinancing a previous first mortgage secured by the property more fully described in Exhibit "A", attached hereto and made a part hereof; and,

WHEREAS, Lender requires the Borrower to secure said new loan with a new Mortgage on the real estate described in SBA Mortgage, more fully described in Exhibit "A", attached hereto and made a part hereof.

NOW, THEREFORE, in and for good and valuable consideration, and in order to induce said Lender to make said loan to Borrower SBA does hereby subordinate the lien of their mortgage and their interest in said SBA Mortgage, such that, the SBA is second and subservient to the said mortgage with Lender, and there are no intervening mortgages or liens on said property.

IT IS EXPRESSLY AGREED AND UNDERSTOOD that neither this Subordination Agreement nor anything contained herein shall in any wise alter or affect the validity of the Mortgage of the SBA, first mentioned herein, or the lien on the items so subordinated herein, or any of the other collateral securing the indebtedness to the SBA.

IT IS FURTHER EXPRESSLY AGREED AND UNDERSTOOD that this Subordination is to extend only to the amount of the current loan made to the Borrowers, for the purpose or purposes expressly set forth herein; and will not be valid for or extend to any future advances by Lender to Borrowers, on the Note evidencing Lender's loan. This clause, however is NOT intended to prevent or inhibit advances by Lender for expenses incidental to the preservation of its collateral, protection of its security interest, collection of its debt, and/or the like.

Inst # 1999-18567

IN WITNESS WHEREOF, the U.S. Small Business Administration has caused this Subordination Agreement to be executed this, the 18 day of March, 1999.

U.S. SMALL BUSINESS ADMINISTRATION

By: _____

John H. Griffin, as Supervising Loan Officer
Commercial Loan Servicing Center-LR

Date _____

ACKNOWLEDGMENT

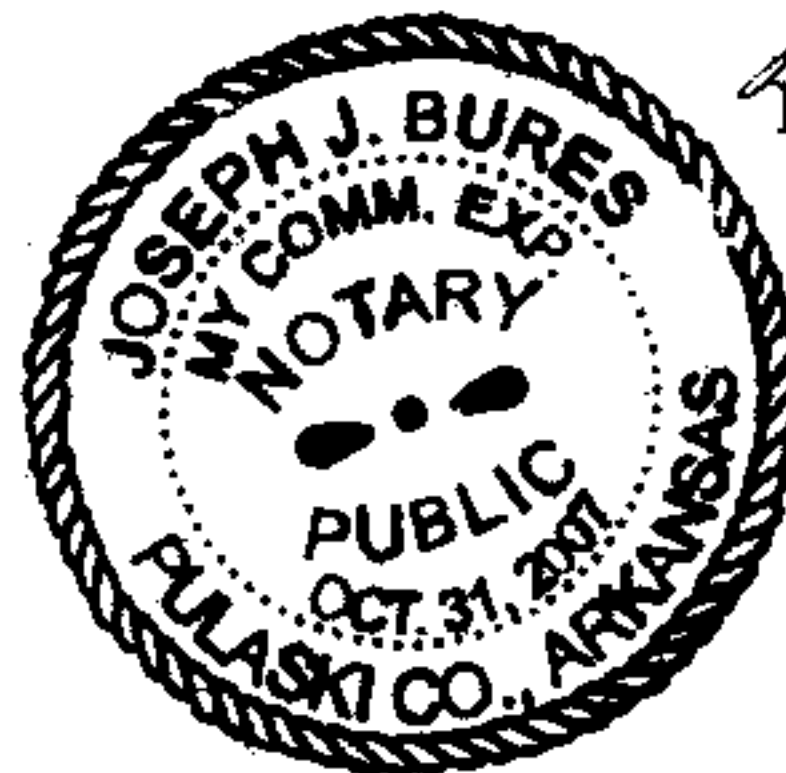
STATE OF ARKANSAS)
)ss.
COUNTY OF PULASKI)

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared John H. Griffin, (Title) SLCCLSC-LR, Commercial Loan Servicing Center, of the Small Business Administration, and the person whose name is subscribed to the foregoing instrument, and he acknowledged to me that the same was the act of the Small Business Administration and that he executed the same as the free act and deed of the Small Business Administration for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND and seal of office this the 18 day of March, 1999.

My Commission Expires: _____

Paul J. Lee
Notary Public



This instrument prepared by:
Tamara Y. Lee
The Southern Development Council, Inc.
4101 C Wall Street
Montgomery, AL 36106
334-244-1801

EXHIBIT "A"

TO

**MORTGAGE
ASSIGNMENT OF RENTS AND LEASES
AND SECURITY AGREEMENT
AFFIDAVIT AND AGREEMENT
FINANCING STATEMENT (UCC-1)
HAZARDOUS SUBSTANCE INDEMNIFICATION AND WARRANTY AGREEMENT**

BORROWER: OLDE PIRATE, INC.
LENDER: AMSOUTH BANK

A parcel of land situated in the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 27, Township 20 South, Range 3 West, Shelby County, Alabama, and being more particularly described as follows:

Commence at the Northwest corner of said $\frac{1}{4}$ - $\frac{1}{4}$ Section, run thence in a Southerly direction along the West line of said $\frac{1}{4}$ - $\frac{1}{4}$ Section for a distance of 401.85 feet to an iron pin found; thence turn an angle to the left of $88^{\circ}43'24''$ and run in an Easterly direction for a distance of 803.43 feet to the point of beginning of the parcel herein described; from the point of beginning thus obtained, continue Eastwardly along the same course as before for a distance of 250.00 feet to the West right of way line of Shelby County Highway No. 95; thence turn an angle to the right of $97^{\circ}24'02''$ and run in a Southerly direction along the West right of way line of said Shelby County Highway No. 95 for a distance of 14.46 feet; thence turn an angle to the right of $11^{\circ}18'36''$ and run in a Southwesterly direction along said West right of way line of said Shelby County Highway No. 95 for a distance of 50.99 feet; thence turn an angle to the left of $11^{\circ}18'36''$ and run in a Southerly direction along the West right of way line of said Shelby County Highway No. 95 for a distance of 100.00 feet; thence turn an angle to the left of $11^{\circ}18'36''$ and run in a Southeasterly direction along the West right of way line of said Shelby County Highway No. 95 for a distance of 50.99 feet; thence turn an angle to the right of $97^{\circ}14'30''$ and run in a Westerly direction for a distance of 250.00 feet; thence turn an angle to the right of $94^{\circ}29'04''$, and run in a Northerly direction for a distance of 200.00 feet to the point of beginning of the parcel herein described.

Situated in Shelby County, Alabama.

SUBJECT TO: i) taxes dues and payable October 1, 1999; ii) right of way to Colonial Pipeline Company recorded in Volume 323, page 431, and Volume 268, page 298; iii) easement to Southern Natural Gas Company recorded in Volume 91, page 231; iv) right of way to Shelby County recorded in Volume 271, page 731, and Volume 271, page 734; and v) mineral and mining rights and rights incident thereto recorded in Volume 119, page 240.

Inst # 1999-18567

Ex.a 2/23/99 8:56am

**05/04/1999-18567
12:39 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
003 NMS 13.50**