

MODIFIED PRIOR LIENHOLDER'S AGREEMENT

This MODIFIED PRIOR LIENHOLDER'S AGREEMENT is by and between REGIONS BANK (the "Prior Lienholder"), and THE U.S. SMALL BUSINESS ADMINISTRATION (hereinafter the "SBA").

RECITALS

WHEREAS, LORRIE M. P'POOL (the "Borrower") is the owner of the real estate described on the attached Exhibit A (the "Real Estate"). Prior Lienholder has made a loan in the original principal amount of \$407,700 (the "Prior Loan"), and currently having a balance of \$248,889.50. The Prior Loan is secured by a first Mortgage dated December 7, 1997 and recorded in Instrument # 1998-01248 in the Office of the Judge of Probate of Shelby County, Alabama (the "Prior Mortgage").

WHEREAS, SBA has made a loan in the original amount of \$173,000 (the "504 Loan") to Borrower, now having a balance of \$147,415.62. The 504 Loan is secured by a mortgage dated January 7, 1998 in favor of Southern Development Council, Inc., and recorded in Instrument # 1998-03625 in the Office of the Judge of Probate of Shelby County, Alabama, and subsequently assigned to SBA by the certain Assignment of Note and Security dated January 7, 1998 are recorded as Instrument # 1998-03626 in the Office of the Judge of Probate, Shelby County, Alabama.

WHEREAS, said Prior Lienholder and Southern Development Council, Inc. entered into the original Prior Lienholder's Agreement January 7, 1998, recorded as Instrument # 1998-03629.

WHEREAS, the original Prior Lienholder's Agreement set the balance of the Prior Loan at no more than \$242,500 and subordinated to SBA's Mortgage any future advances under the Prior Loan except for liens arising from advances under the Prior Mortgage or Security Interest intended to preserve the Real Estate or Equipment and made pursuant to the Prior Mortgage or Security Interest.

WHEREAS, the Prior Lienholder wishes to advance funds to the Borrower bringing the balance of the Prior Loan to not more than \$260,000.

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 Loan. The principal balance of the Prior Loan will be no more than \$260,000, and will be the only obligation superior to Borrower's obligations to SBA which are secured by the Mortgage, and the Security Interest.
2. Subordination of Future Advances. Except for liens arising from advances under the Prior Mortgage or Security Interest intended to preserve the Real Estate or Equipment and made pursuant to the Prior Mortgage or Security Interest, any lien securing any sum advanced to Borrower by Prior Lienholder after the date of this Agreement will be subordinate to the lien created by the 504 Mortgage and the security interest in favor of SBA in the Equipment.
3. Waiver of Enforcement of Covenant Not to Encumber the Real Estate. If the Prior Mortgage or any document evidencing the Prior Loan 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 Mortgage or any document evidencing the Prior Loan, Prior Lienholder will give SBA and The Southern Development Council, Inc. (the CDC) written notice of the event of default within thirty (30) days after the occurrence of the event of default. After an event of default, Prior Lienholder will not sell all or any portion of the Real Estate without giving SBA and CDC 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 SBA at its Birmingham District Office, 801 Tom Martin Drive, Birmingham, Alabama 35211, Attention: PMD Chief and District Counsel and to CDC, Southern Development Council, Inc. at 8132 Old Federal Road, Montgomery, Alabama 36117, Attention: Portfolio Manager.

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 1st day of MARCH, 2003

Date: 3-06-03

~~Regions Bank~~

By: [Signature]
Its President

Date: 3-3-03

U. S. Small Business Administration

By: [Signature]
Its [Signature]
Commercial Loan Servicing Center - LR

The undersigned Borrowers and Guarantors acknowledge and consent to this Modified Prior Lienholders Agreement:

Date: 3/19/03

Borrower - Lorrie M. P'Pool

By: [Signature]
Its Pre

Attest: _____
Its _____

Guarantors:
[Signature]
Chase Learning Center & Daycare, Inc.

[Signature]
Larry M. Whaley

[Signature]
Charles M. P'Pool

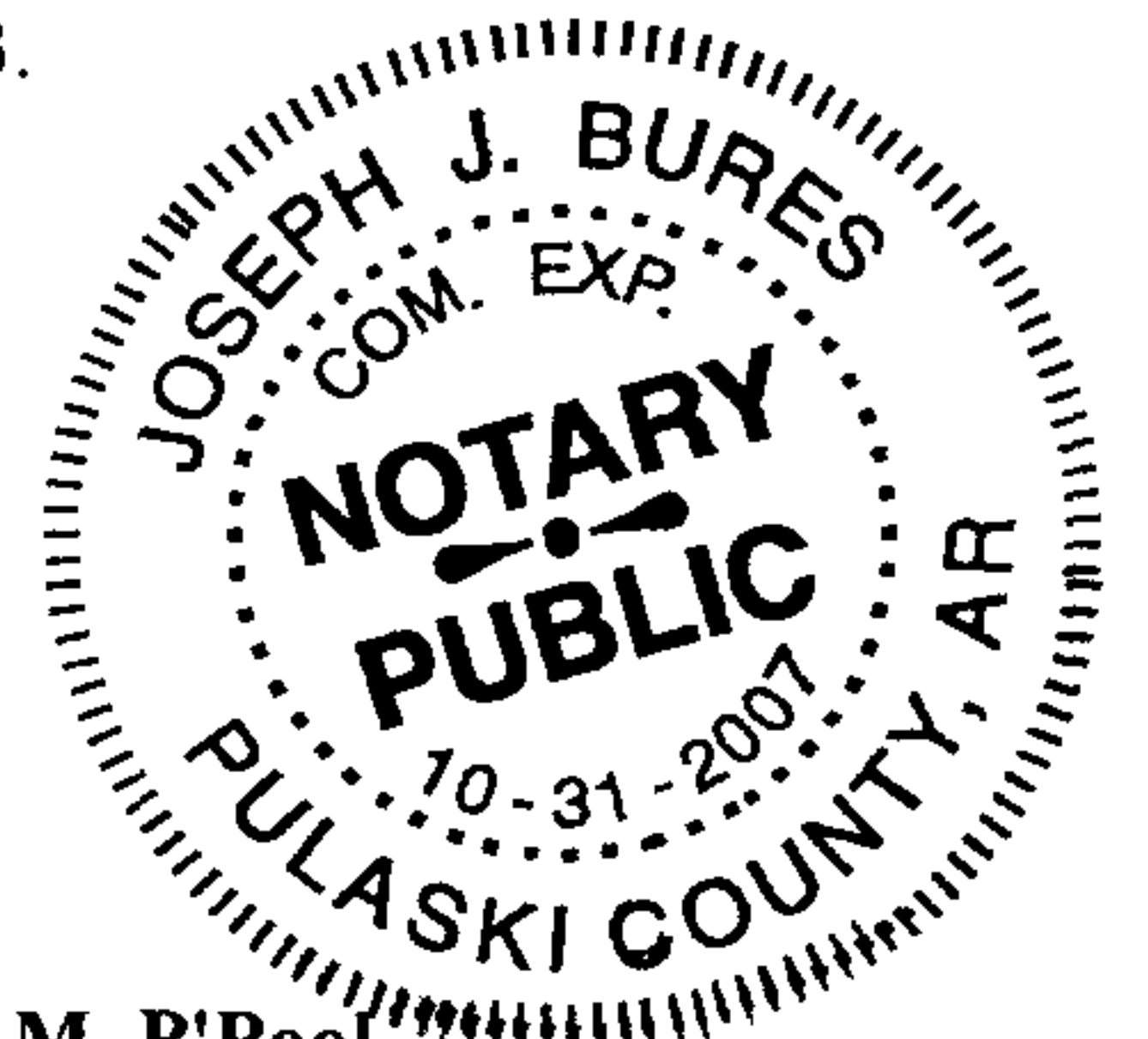
STATE OF ARKANSAS)
COUNTY OF PULASKI)

BEFORE ME, the undersigned authority, on this day personally appeared Dennis McCaghey, Assistant Director, Commercial Loan Servicing Center of the **Small Business Administration**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed and in the capacity therein stated as the act and deed of the Small Business Administration.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3 day of March, 2003.

My commission expires _____.

Joanne R. Lewin
Notary Public in and for
Pulaski County, State of Arkansas



STATE OF ALABAMA
COUNTY OF Shelby

I, the undersigned Notary Public in and for said County and State, do hereby certify that **Lorrie M. P'Pool**, whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being thoroughly knowledgeable of the contents of the said instrument, he did execute the same voluntarily and with full authority on the date shown.

Given under my hand and official seal on this, the 19th day of March, 2003.

My Commission Expires: 10/20/03

Joanne R. Lewin
Notary Public

STATE OF ALABAMA
COUNTY OF Shelby

I, the undersigned Notary Public in and for said County and State, do hereby certify that Anthony F. Holmes whose name as President, Regions Bank is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being thoroughly knowledgeable of the contents of the said instrument, he did execute the same voluntarily and with full authority on the date shown.

Given under my hand and official seal on this, the 6th day of March, 2003.

My Commission Expires: 10/20/03

Joanne R. Lewin
Notary Public

STATE OF Alabama
COUNTY OF Shelby

I, the undersigned Notary Public in and for said County and State, do hereby certify that Lorrie M. P'Pool, whose name as President, **Chase Learning Center & Daycare, Inc.**, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being thoroughly knowledgeable of the contents of the said instrument, he did execute the same voluntarily on the date shown.

Given under my hand and official seal on this, the 19th day of March, 2003.

My Commission Expires: 10/20/03

Joanne R. Lewin
Notary Public

STATE OF Alabama
COUNTY OF Shelby

I, the undersigned Notary Public in and for said County and State, do hereby certify that **Larry M. Whaley** whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being thoroughly knowledgeable of the contents of the said instrument, he did execute the same voluntarily on the date shown.

Given under my hand and official seal on this, the 16th day of March, 2003.

Norm Morris

Notary Public

My Commission Expires: **MY COMMISSION EXPIRES APRIL 2, 2004**

STATE OF Alabama
COUNTY OF Shelby

I, the undersigned Notary Public in and for said County and State, do hereby certify that **Charles M. P'Pool** whose name is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being thoroughly knowledgeable of the contents of the said instrument, he did execute the same voluntarily on the date shown.

Given under my hand and official seal on this, the 25th day of March, 2003.

Joanne R. Ilwin
Notary Public

My Commission Expires: 10/20/03

This document prepared by, and following recording should be returned to:
Tamara Y. Lee
Southern Development Council
8132 Old Federal Road
Montgomery, AL 36117
(334) 244-1801