

LOAN NO.: CDC 3939464000

State of Alabama
County of Shelby

SUBORDINATION AGREEMENT

WHEREAS, SMALL BUSINESS ADMINISTRATION, an agency of the United States of America having an office at **2120 Riverfront Drive, Suite 100, Little Rock, Arkansas**, (hereinafter "SBA") is the present holder of a Mortgage and Security Agreement (hereinafter "SBA Mortgage"), and an Assignment of Rents and Leases, each assigned to SBA by The Southern Development Council, Inc. through an Assignment dated 11/9/2001, recorded as Instrument 2001-48794, in the Office of the Shelby County Judge of Probate, Mortgagor being Gannaway Properties, LLC. The original Mortgage and Assignment of Leases and Rents (collectively the "SBA Mortgage"), were executed by to secure a Note executed by Gannaway Properties, LLC, and Pro Golf of Birmingham, Inc., now known as Gannaway Golf, Inc., (hereinafter "Borrower") dated 11/9/2001 in the original principal amount of **\$750,000** and now having a principal balance of approximately, **\$683,991.07 as of December 1, 2004**. Said Mortgage was recorded in the Shelby County Probate Office as Instrument # 2001-48792. Said Assignment of Rents and Lease was recorded in the Shelby County Probate Office as Instrument # 2001-48793.

WHEREAS, First Commercial Bank (hereinafter "Lender") wishes to make available funds to the Borrower, in the amount of **One Million Two Hundred Eighty Six Thousand Five Hundred Dollars and no/100 (\$1,286,500)**, to be secured by a Mortgage and an Assignment of Rents and Leases (Collectively the "New Mortgage") on the premises which are the subject of the SBA Mortgage; however, Lender is unwilling to do so unless the New Mortgage is superior in position to the SBA Mortgage and Assignment of Leases and Rents; and

WHEREAS, SBA has agreed to subordinate the SBA Mortgage and Assignment of Leases and Rents to permit the above described financing.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged and to induce Lender to make a loan in the amount of **\$1,286,500** to Borrower, SBA for itself, its successors and assigns hereby covenants and agrees to and with Lender, its successors and assigns, as follows:

1. The SBA Mortgage and Assignment of Leases and Rents are and shall continue to be subordinated to the New Mortgage of the Lender, dated 4-13-05 and recorded as instrument # 20050414000176130 as aforesaid, in an aggregate amount not to exceed **\$1,286,500** exclusive of protective advances and reasonable costs and attorney fees as allowed by statute plus interest as provided in the Note which is secured by said New Mortgage as if said New Mortgage had been executed, acknowledged, delivered, and recorded prior to the execution by acknowledgment, delivery, and recording of the SBA Mortgage and Assignment of Leases and Rents.

2. Lender, by receipt and acceptance of this subordination, agrees that it shall not advance additional sums above the sum of **\$1,286,500** exclusive of protective advances, and reasonable costs and attorney fees as allowed by statute, plus interest. Further, Lender confirms that the note and all other documents executed in connection with their loan have no open-ended features, are not cross-collateralized with any other financing now or hereafter to be provided by the Lender, have no early call features, are not payable on demand unless the Lender Loan is in default, have a term of at least, and do not require a balloon payment prior to, ten years, have a reasonable interest rate that does not, and will

not, exceed the maximum interest rate for a Lender loan as published by SBA, and do not establish a preference in favor of the Lender as compared to SBA other than the Bank's senior lien position. The Lender agrees that if any provision in the note or any other document executed in connection with the Lender loan does not comply with these requirements, then the Bank waives its rights to enforce any such provision.

3. Lender agrees that, for this Subordination to be effective, Lender must perfect its Mortgage lien in the aforementioned property and this Subordination will be only to such Mortgage lien.

4. Lender covenants that there are no intervening liens of record between the Mortgage and Assignment of Leases and Rents lien of SBA and the Mortgage made or to be made by Lender and Lender understands that it is a condition of this Subordination that no such intervening liens exist. If such intervening liens exist, then this Subordination shall be void.

5. SBA expressly reserves its rights to foreclose on this or any security, which it may hold.

6. SBA does not subordinate the debt due and expressly reserves the right to accept any and all payments on the indebtedness to it without regard to any sum or sums due and owing to the Lender.

7. The undersigned debtors and makers of the Note hereinabove described, and the undersigned Guarantors of payment of the Note, agree to the aforesaid subordination and agree that said transaction shall in no way discharge or diminish their obligations under their Note, Guaranty, Standby Agreement, and/or any collateral agreements securing the same.

8. If an event of default occurs under the New Mortgage or any document evidencing the First Commercial Bank Loan, First Commercial Bank will give SBA and 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, First Commercial Bank 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 Alabama District Office, 801 Tom Martin Drive, Suite 201, Birmingham, AL 35211 Attention: District Counsel and to CDC, Southern Development Council, Inc. at 8132 Old Federal Road, Montgomery, Alabama 36117, Attention: Portfolio Manager.

This Document may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original, and all of which taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Subordination Agreement is executed as of this 13th day of April, 2005.

Borrower
Gannaway Properties, LLC

By: *Andrea S. Gannaway*
Its MEMBER

Attest: *Andrea S. Gannaway*
Its MEMBER

Gannaway Golf, Inc.

By: [Signature]
Its MC

Attest: [Signature]
Its SECRETARY

Lender
First Commercial Bank

Date: 4-13-05

By: [Signature]
Its Vice President

Date: 4-13-05

U. S. Small Business Administration

By: [Signature]
R. Wayne Reid its SCO
Commercial Loan Servicing Center - LR

The undersigned Guarantors hereby acknowledge and consent to this Subordination:

[Signature]
Samuel Whitfield Gannaway

[Signature]
Sandra Lee Gannaway

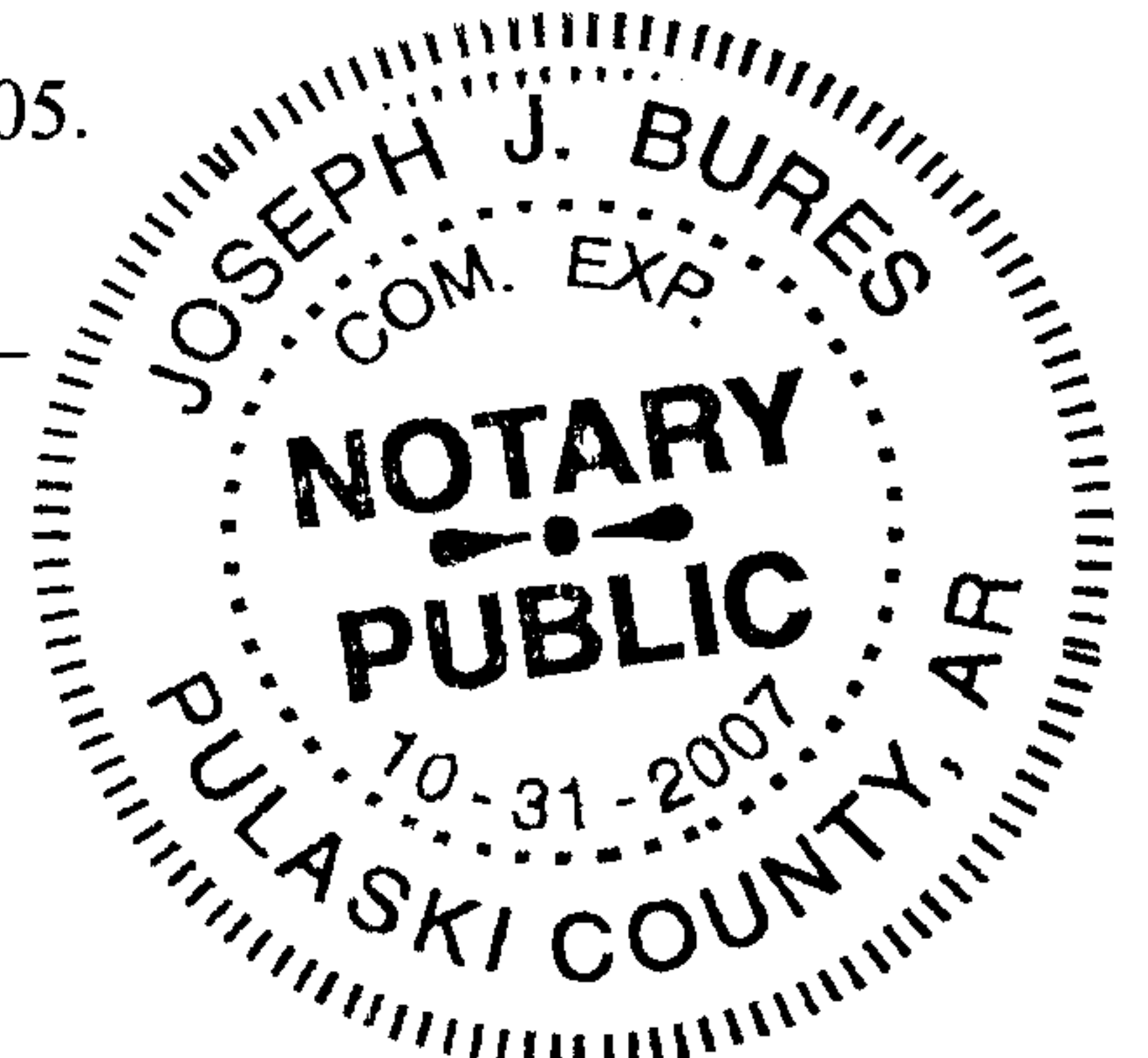
STATE OF ARKANSAS)
COUNTY OF PULASKI)

BEFORE ME, the undersigned authority, on this day personally appeared R. Wayne Reid, 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 1 day of March, 2005.

My commission expires _____.

[Signature]
Notary Public in and for
Pulaski County, State of Arkansas



STATE OF ALABAMA
COUNTY OF Jefferson

I, the undersigned Notary Public in and for said County and State, do hereby certify that Sandra L. Gannaway, whose name as member, **Gannaway Properties, LLC** 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 13 day of April, 2003.

[Signature]
Notary Public

My Commission Expires: 10-2-08

20050414000176160 4/5 \$23.00
Shelby Cnty Judge of Probate, AL
04/14/2005 10:54:26AM FILED/CERT

STATE OF ALABAMA
COUNTY OF Jefferson

I, the undersigned Notary Public in and for said County and State, do hereby certify that Sandra L. Gannaway, whose name as member, **Gannaway Properties, LLC** 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 13 day of April, 2005.

Jennifer L. Leuma
Notary Public

My Commission Expires: 10-2-08

STATE OF ALABAMA
COUNTY OF Jefferson

I, the undersigned Notary Public in and for said County and State, do hereby certify that Sandra Samuel Whitfield Gannaway, whose name as President, **Gannaway Golf, 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 and with full authority on the date shown.

Given under my hand and official seal on this, the 13 day of April, 2005.

Jennifer L. Leuma
Notary Public

My Commission Expires: 10-2-08

STATE OF ALABAMA
COUNTY OF Jefferson

I, the undersigned Notary Public in and for said County and State, do hereby certify that Sandra L. Gannaway, whose name as Secretary, **Gannaway Golf, 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 and with full authority on the date shown.

Given under my hand and official seal on this, the 13 day of April, 2005.

Jennifer L. Leuma
Notary Public

My Commission Expires: 10-2-08

STATE OF ALABAMA
COUNTY OF Jefferson


I, the undersigned Notary Public in and for said County and State, do hereby certify that Fred R. Elliott, whose name as Sr. Vice Pres., **First Commercial 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 13 day of April, 2005.

Jennifer L. Leuma
Notary Public

My Commission Expires: 10-2-08

STATE OF Alabama
COUNTY OF Jefferson


20050414000176160 5/5 \$23.00
Shelby Cnty Judge of Probate, AL
04/14/2005 10:54:26AM FILED/CERT

I, the undersigned Notary Public in and for said County and State, do hereby certify that **Samuel Whitfield Gannaway, Guarantor**, 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 13 day of April, 2005.

Jennifer L. Leura
Notary Public

My Commission Expires: 10-2-08

STATE OF Alabama
COUNTY OF Jefferson

I, the undersigned Notary Public in and for said County and State, do hereby certify that **Sandra Lee Gannaway, Guarantor**, 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 13 day of April, 2005.

Jennifer L. Leura
Notary Public

My Commission Expires: 10-2-08

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