

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS AGREEMENT is entered into as of the day of November 3, 2010, between **Branch Banking and Trust Company**, a North Carolina banking corporation, having a mailing address of P.O. Box 25610-C, Charlotte, North Carolina 28229 ("Mortgagee"), and **Pier 1 Imports (U.S.), Inc.**, a Delaware corporation, having an office at 100 Pier 1 Place, Fort Worth, Texas 76102 ("Tenant").

Recitals

A. Mortgagee has made a loan to Donan Development LLC, a Louisiana limited liability company ("Landlord") in the original principal amount of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) (the "Loan").

B. Mortgagee is the holder of a mortgage or deed of trust securing the Loan (the "Mortgage") covering that certain parcel of land owned by Landlord and described on Exhibit A, attached hereto and made a part hereof, together with the improvements erected thereon, commonly known as Inverness Corners Shopping Center, 105 Inverness Corners, Birmingham, AL 35242, **Pier 1 Imports Store #571** (the "Premises").

C. By a certain Lease entered into between Landlord and Tenant, dated as of June 5, 1998 (the "Lease"), Landlord lease the Premises to Tenant.

D. A copy of the Lease has been delivered to Mortgagee, the receipt of which is hereby acknowledged.

E. The parties hereto desire to effect the subordination of the Lease to the Mortgage and to provide for the non-disturbance of Tenant by and the attornment by Tenant to, the holder of the Mortgage or any purchaser under a foreclosure or deed in lieu thereof.

Agreement

In consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. Mortgagee hereby consents to and approves the Lease and all of the terms and conditions thereof, subject, however, to the provisions of this Agreement.

2. Tenant covenants and agrees with Mortgagee that the Lease is hereby made and shall continue hereafter to be subject and subordinate to the lien of the Mortgagee, and to all modifications and extensions thereof, with the same force and effect as if the Mortgage had been executed and delivered prior to the execution and delivery of the Lease and without regard to the order of priority of recording the Mortgage, subject, however, to the provisions of this Agreement. Mortgagee acknowledges the Fire and Casualty Damage, the Condemnation, and the Substitute Premises provisions contained in Sections 20, 21 and 30 of the Lease and agrees to give full force and effect to such provisions.

3. Tenant certifies that the Lease is presently in full force and effect and unmodified and Tenant as of this date has no knowledge of any default, charge, lien or claim of offset under the Lease.

4. Tenant shall give prompt written notice to Mortgagee of all defaults by Landlord of those obligations under the Lease which are of such a nature as to give Tenant a right to terminate the Lease, to reduce rent, or to credit or offset any amounts against future rents, and Lender shall have an additional ten (10) days (but shall not be required) to cure the same in addition to the applicable cure periods provided for under the Lease. No person or entity who exercises a right, arising under the Mortgage or security instruments related thereto or any assignment of the Lease, to receive the rents payable by Tenant under the Lease shall thereby become obligated to Tenant for the performance of any of the terms, covenants, conditions and agreements of Landlord under the Lease until and unless (and only to the extent of obligations relating to periods after) such person or entity obtains possession of the Premises. Tenant shall make the payments to be made by Tenant under the Lease to such person or entity upon receipt of written notice of the exercise of such rights. Such receipt of rent by any other party shall not relieve Landlord of its obligations under the Lease, and Tenant shall continue to look to Landlord only for performance thereof until and unless (and only to the extent of obligations relating to periods after) such other person or entity obtains possession of the Premises.

5. Mortgagee agrees that, so long as Tenant is not in default under the Lease:

(a) Tenant shall not be named or joined as a party or otherwise in any suit, action or proceeding for foreclosure by the Mortgagee or to enforce any rights under the Mortgage or the Loan.

(b) The possession by Tenant of the Premises and Tenant's rights under the Lease shall not be disturbed, affected or impaired by (i) any suit, action or proceeding under the Mortgage or the Loan or for foreclosure under the Mortgage, or any other enforcement of any rights under the Mortgage or any other documents pertaining to the Loan, (ii) any judicial or nonjudicial foreclosure, sale or execution of the Premises, or any deed given in lieu of foreclosure, or (iii) any default under the Mortgage or the Loan.

(c) All condemnation awards and insurance proceeds paid or payable with respect to the Premises and received by Mortgagee shall be applied and paid in the manner set forth in the Lease.

(d) Neither the Mortgage nor any other security instrument executed in connection with the Loan shall cover or be construed as subjecting in any manner to the lien thereof any trade fixtures, signs or other personal property at any time furnished or installed by or for Tenant in or on the Premises.

6. If Mortgagee or any future holder of the Mortgage or any other transferee under the Mortgage shall become the owner of the Premises by reason of foreclosure of the Mortgage, or if the Premises shall be sold as a result of any action or proceeding to foreclosure, the Lease shall continue in full force and effect, without necessity for executing any new lease, as a direct

lease between Tenant and the then owner of the Premises as "Landlord" under the Lease, upon all of the same terms, covenants and provisions contained in the Lease, and in such event:

(a) Tenant shall be bound to such new owner under all of the terms, covenants and provisions of the Lease for the remainder of the term thereof (including also any extension periods, if Tenant elects or has elected to exercise its option to extend the term) and Tenant hereby agrees to attorn to such new owner and to recognize such new owner as "Landlord" under the Lease and the provisions hereof shall be self-operative without the necessity of Tenant executing any additional documentation; and

(b) Such new owner shall be bound to Tenant thereunder and hereby assumes all of the terms, covenants and provisions of the Lease for the remainder of the term thereof (including also any extension periods, if Tenant elects or has elected to exercise its option to extend the term), and Tenant shall, from and after the date such new owner succeeds to the interest of "Landlord" under the Lease, have the same remedies against such new owner for the breach of any covenant contained in the Lease; provided, however, that such new owner shall not (i) be bound by any rent or additional rent which Tenant might have paid for more than one month in advance to any prior landlord (including Landlord), (ii) be liable in any respect, whether by setoff, under the Lease or otherwise (except and other than for setoff rights specifically provided under the Lease), for any breach of the Lease by or other act or omission of any prior landlord (including Landlord), (iii) be bound by any amendment or modification of the Lease made without Mortgagee's consent which would reduce fixed annual rent or any other monetary obligation of Tenant or otherwise reduce any material right or benefit to the Landlord under the Lease or (iv) be in any way responsible for any deposit or security which was delivered to Landlord but which was not subsequently delivered to Mortgagee,

7. Any notices or communications given under this Agreement shall be in writing and shall be deemed given on the earlier of actual receipt or three (3) days after deposit in the U.S. Mail, by registered or certified mail, return receipt requested, postage prepaid, at the respective addresses set forth above, or at such other address as the party entitled to notice may designate by written notice as provided herein):

8. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

9. This Agreement contains the entire agreement between the parties and cannot be changed, modified, waived or cancelled except by an agreement in writing executed by the parties against whom enforcement of such modification, change, waiver or cancellation is sought.

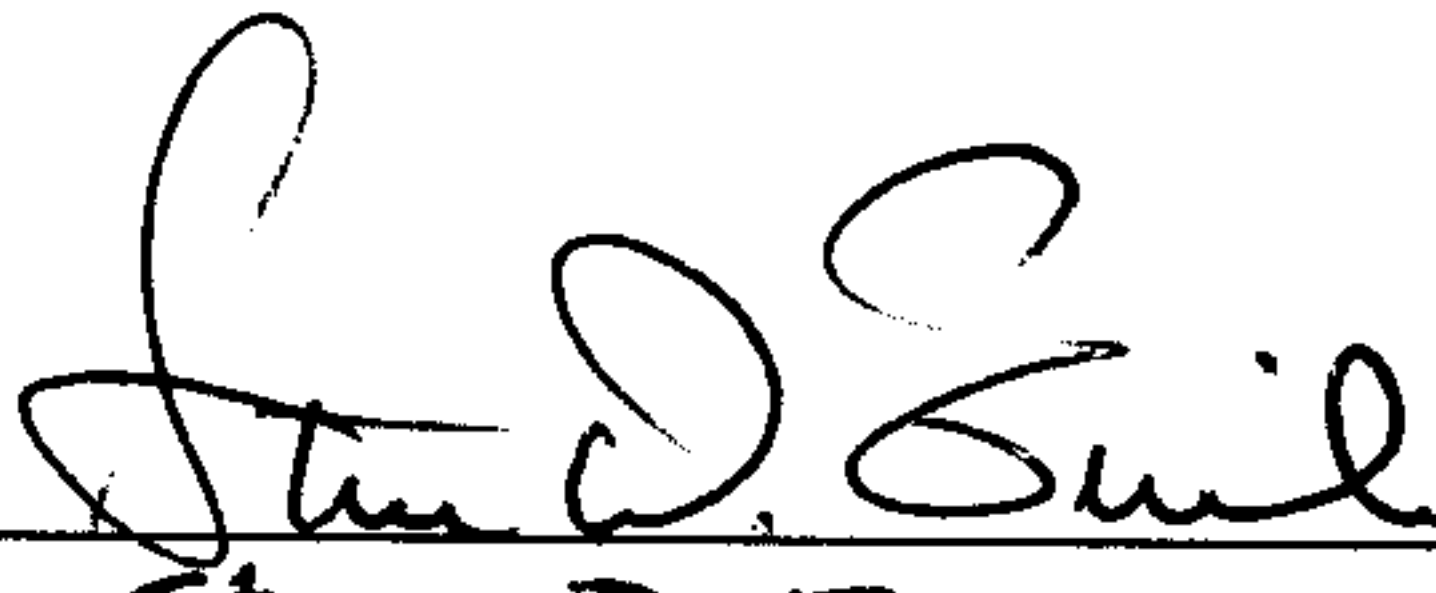
10. This Agreement and the covenants contained herein shall run with and shall bind the land on which the Premises is located.

(Signatures on the following page.)

EXECUTED as of the date first written above.

MORTGAGEE:

Branch Banking and Trust Company,
a North Carolina banking corporation

By: 
Name: Steven D. Erickson
Title: Senior Vice President

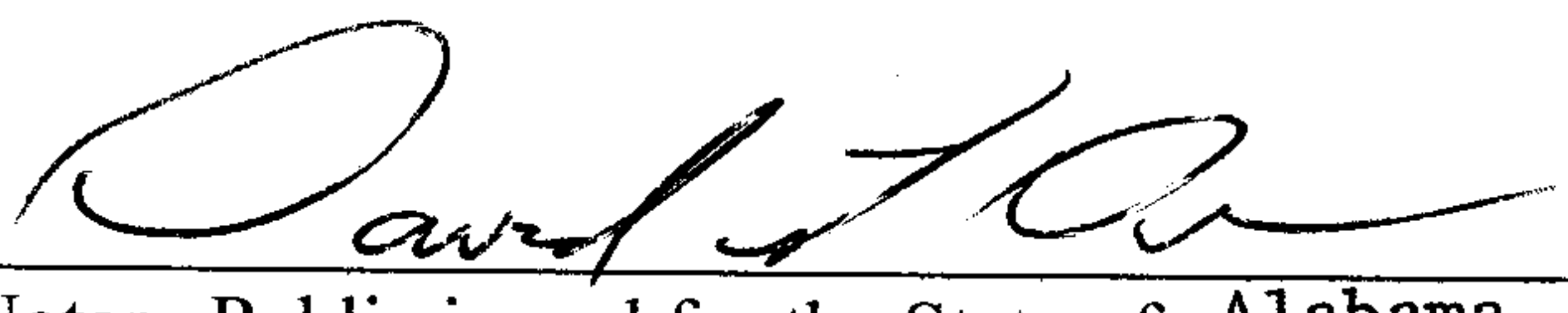
STATE OF ALABAMA

COUNTY OF JEFFERSON

Before me, the undersigned authority, on this day personally appeared
Steven D. Erickson, the Senior Vice President
of Branch Banking and Trust Company, a North Carolina banking corporation, 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 purposes and consideration therein expressed, in the
capacity stated, and as the act and deed of said corporation.

Given under my hand and official seal this 10th day of November, 2010.

(SEAL)


Notary Public in and for the State of Alabama
My commission expires: _____

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: **Aug 27, 2012**
BONDED THRU NOTARY PUBLIC UNDERWRITERS

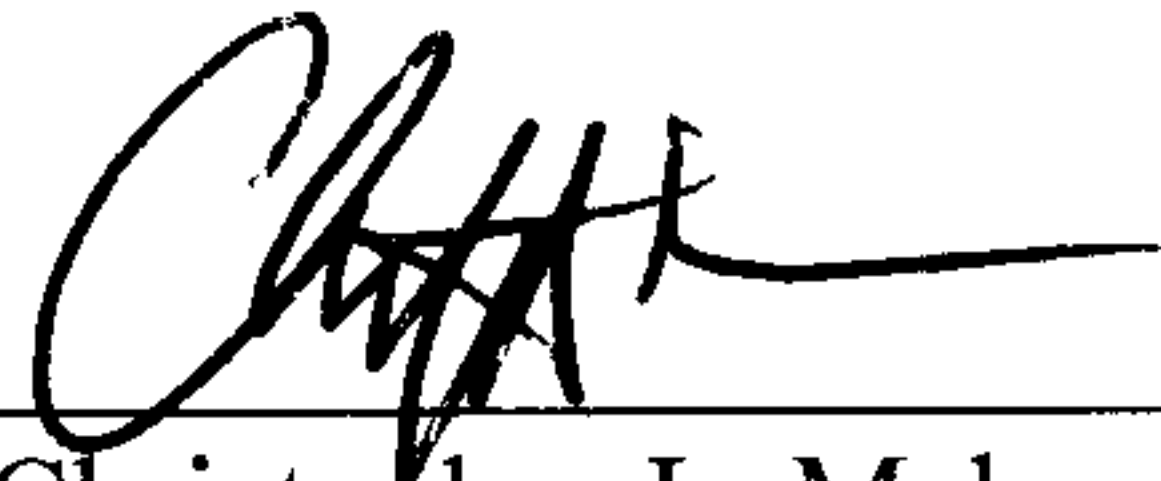
(Signatures continue on the following page.)



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Shelby Cnty Judge of Probate, AL
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TENANT:

PIER 1 IMPORTS (U.S.), INC.,
a Delaware corporation

By: 
Christopher L. Mabe
Assistant Secretary

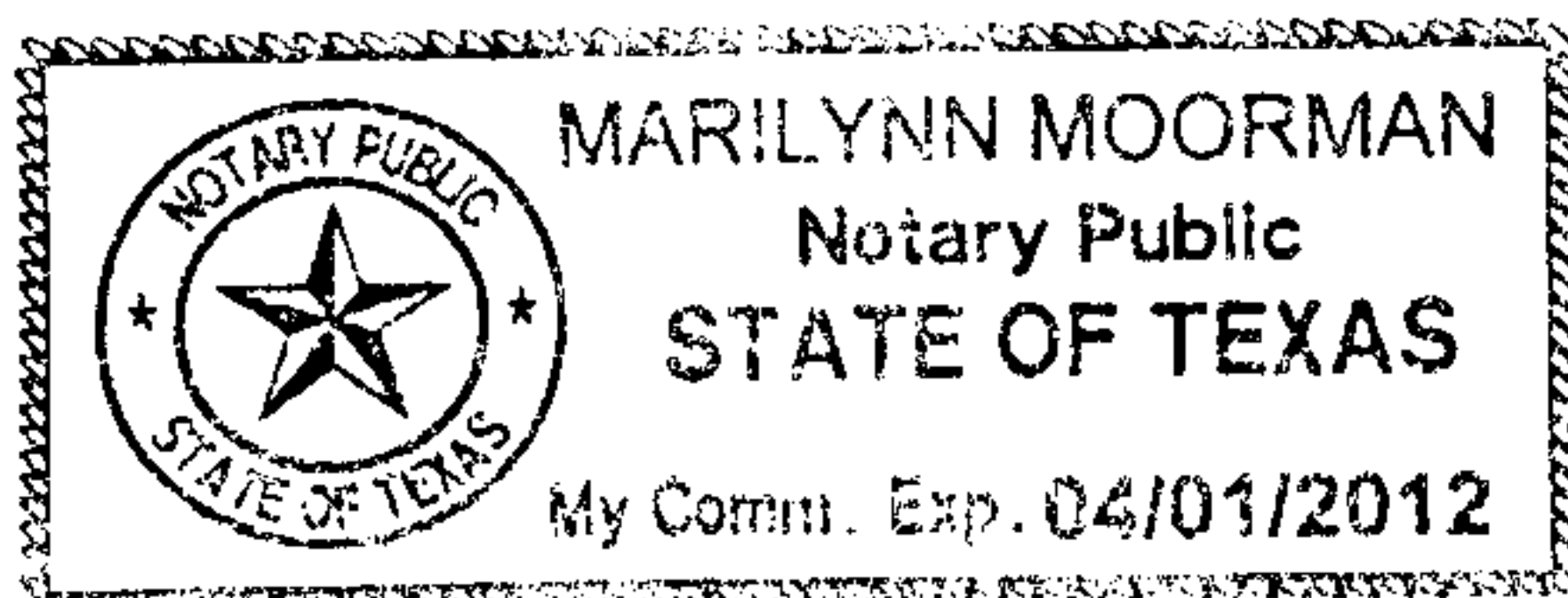
STATE OF TEXAS


COUNTY OF TARRANT

Before me, the undersigned authority, on this day personally appeared Christopher L. Mabe, Assistant Secretary of **Pier 1 Imports (U.S.), Inc.**, a Delaware corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under my hand and official seal this 3rd day of November, 2010.

(SEAL)




Notary Public in and for the State of Texas
My commission expires: 4-1-2012



20101115000382280 6/6 \$27.00
Shelby Cnty Judge of Probate, AL
11/15/2010 01:32:41 PM FILED/CERT

EXHIBIT "A"

LEGAL DESCRIPTION

STATE OF ALABAMA
SHELBY COUNTY

Lot D-1, according to the survey of Pler 1 Imports Survey, as recorded in Map Book 21, Page 13, in the Office of the Judge of Probate of Shelby County, Alabama.

Together with the Perpetual and non-exclusive easement for access on and over the site development; use of parking facilities and through all common areas and private use areas, for purposes of ingress and egress to the adjacent shopping center appurtenant to said Lot D-1 in Instrument #1996-14793. Also together with that non-exclusive easement for access as set forth in Instrument #1996-14794.