

THIRD PARTY LENDER AGREEMENT

This Agreement is delivered to Central Mississippi Development Company, Inc. ("CMDC") and the United States Small Business Administration ("SBA") by Union Planters Bank, National Association ("Union Planters") and Happy Times Day Nursery, Inc. ("Borrower"), to induce CMDC and SBA to enter into an SBA 504 Loan/Debenture with Borrower (SBA Loan No. CDC-718-542-4000), which SBA loan is secured by a Deed of Trust on the property described in Exhibit "A". Union Planters hereby confirms and agrees as follows:

- a. The proceeds of Union Planters Loan No. 213014857850 dated 5/6/04, 2004, ("Third Party Lender Loan") have been fully advanced to Borrower in the amount of \$296,125.00. The outstanding principal balance of such Loan is \$ 296,125.⁰⁰. Any prepayment penalty, late fee and increased default interest under such Loan shall be subordinated to the CMDC/SBA lien for the SBA Loan;
- b. Union Planters will make no future advances that are collateralized by Union Planters' Deed of Trust or Security Agreement, except advances made for reasonable costs of collections, maintenance and protection of Union Planters' lien;
- c. The proceeds of Union Planters Loan No. 213014857877 dated 5/6/04, 2004, ("Interim Loan") have been fully advanced to Borrower in the amount of \$236,900. Upon funding the SBA Debenture, the outstanding balance of the Interim Loan will be paid in full with the SBA Debenture proceeds and/or by Borrower;
- d. Union Planters waives as to the CMDC/SBA lien any provisions in Union Planters' Deed of Trust or Security Agreement prohibiting further encumbrances and waives any rights to enforce any provisions of its notes and loan documents that do not comply with SBA requirements.
- e. Union Planters will give CMDC and SBA written notice of an event of default and the opportunity to purchase Union Planters' note and lien prior to foreclosure. Such notice shall be given within thirty (30) days after the event of default and at least sixty (60) days prior to the date of any proposed foreclosure.

IN WITNESS WHEREOF, this Agreement has been signed on the 3rd day of June, 2004.
UNION PLANTERS BANK

Planters' Deed of Trust or Security Agreement prohibiting further encumbrances and waives any rights to enforce any provisions of its notes and loan documents that do not comply with SBA requirements.

- e. Union Planters will give CMDC and SBA written notice of an event of default and the opportunity to purchase Union Planters' note and lien prior to foreclosure. Such notice shall be given within thirty (30) days after the event of default and at least sixty (60) days prior to the date of any proposed foreclosure.

IN WITNESS WHEREOF, this Agreement has been signed on the 3rd day of June, 2004.

UNION PLANTERS BANK

By: _____

Title: _____

HAPPY TIMES DAY NURSERY, INC.

By: Billie McMillan
Billie McMillan

Title: President

By: 

Title: VICE PRESIDENT

HAPPY TIMES DAY NURSERY, INC.

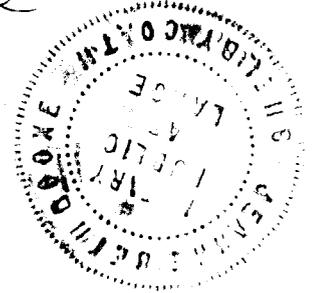
By: Billie McMillan

Title: President

STATE OF Tennessee
COUNTY OF Shelby

PERSONALLY APPEARED before me, the undersigned authority in and for the aforesaid county and state, on this 4 day of June, 2004, within my jurisdiction, the within named Scott Hanes, who acknowledged that he is Vice-President of Union Planters Bank and that for and on behalf of the Bank, and as its act and deed, he executed the above and foregoing instrument after first having been duly authorized by the Bank so to do.

Jeanne Beem Boone
NOTARY PUBLIC



My commission expires:

~~MY COMMISSION EXPIRES MARCH 29, 2005~~

MY COMMISSION EXPIRES MARCH 29, 2005

STATE OF MISSISSIPPI
COUNTY OF Desoto

PERSONALLY APPEARED before me, the undersigned authority in and for the aforesaid county and state, on this 3rd day of June, 2004, within my jurisdiction, the within named Billie McMillan, who acknowledged that she is President of Happy Times Day Nursery, Inc., and that for and on behalf of the corporation, and as its act and deed, she executed the above and foregoing instrument after first having been duly authorized by the corporation so to do.

Billie McMillan
NOTARY PUBLIC



My commission expires:

MISSISSIPPI STATEWIDE NOTARY PUBLIC
MY COMMISSION EXPIRES APRIL 16, 2006
~~BONDED THRU STEGALL NOTARY SERVICE~~

INDEXING INSTRUCTIONS:

Lot 4, Morell Commercial Subdivision in Section 33, T15, R6W,
City of Olive Branch, DeSoto County, MS

CK\AME-CORP\MCMILLAN\THIRD PARTY

Lot 4, Morell Commercial Subdivision, situated in Section 33, Township 1 South, Range 6 West, City of Olive Branch, DeSoto County, Mississippi as per plat recorded in Plat Book 67, at Page 43, in the Office of the Chancery Clerk of DeSoto County, Mississippi.

STATE MS. - DESOTO CO.
FILED
JUN 10 9 30 AM '04
BK 103 PG 423
W.E. DAVIS CH. CLK.