

SUBORDINATION AGREEMENT

This agreement, dated this the 3rd day of November, 1998, between William Larry Charnes and wife, Frances H. Charnes, of 6670 Masters Drive, Olive Branch, MS 38654 and First Tennessee Bank National Association, Mississippi.

W I T N E S S E T H

WHEREAS, First Tennessee Bank National Association, Mississippi, is the holder of a lien on certain real property, which is represented by that certain Land Deed of Trust, executed by William Larry Charnes and wife, Frances H. Charnes, to Thomas F. Baker, IV, for the use and benefit of First Tennessee Bank National Association, Mississippi, dated October 13, 1995, and recorded in the office of the Chancery Clerk of DeSoto County, Mississippi, in Book 789, at Page 794, and

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00), cash in hand paid and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, First Tennessee Bank National Association, Mississippi, hereby agrees that any interest he may now or hereafter have shall be second and subordinate to the interest of the holder of that certain Deed of Trust dated November 3, 1998, from William Larry Charnes and wife, Frances H. Charnes, Grantor, to FT Mortgage Companies d/b/a First Tennessee Mortgage Company, Inc. Beneficiary, recorded in Book 1053, Page 473, in the records in the office of the aforesaid Chancery Clerk, which lien will at all times be prior and superior to the lien of the undersigned.

Except as specifically modified herein, all covenants, agreements, restrictions, rights, privileges and obligations of the herein subordinated lien shall remain in full force and effect, and nothing contained in this instrument or any instrument referred to herein shall operate, or be construed to operate, as a waiver of any right, title, or interest now held by any of the parties hereto.

STATE MS. - DESOTO CO.

DEC 17 11 22 AM '98

BK 1065 PG 466
W.E. DAVIS OR. CLK.

IN WITNESS WHEREOF, the parties hereto have executed this Subordination Agreement on the day and year first above written.

William Larry Charnes
WILLIAM LARRY CHARNES

Frances H. Charnes
FRANCES H. CHARNES

FIRST TENNESSEE BANK NATIONAL ASSOCIATION, MISSISSIPPI

by: Mark Moss, President

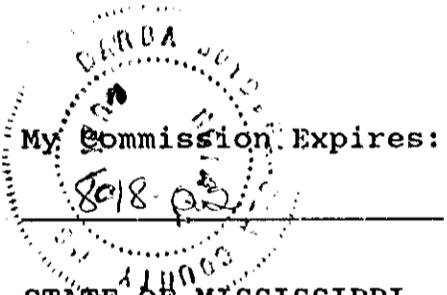
STATE OF MISSISSIPPI
COUNTY OF DESOTO

This day personally appeared before me, the undersigned authority in and for said County and State, the within named, William Larry Charnes and wife, Frances H. Charnes, who acknowledged that they signed and delivered the above and foregoing Subordination Agreement as their free and voluntary act and deed and for the purposes therein expressed.

Given under my hand and official seal of office, this the 15 day of December, 1998.

Barba R. Boyd
NOTARY PUBLIC

My Commission Expires:



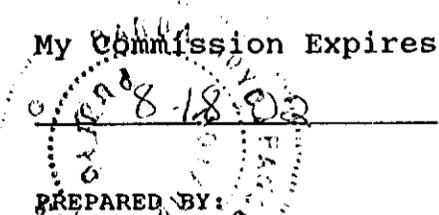
STATE OF MISSISSIPPI
COUNTY OF DESOTO

Personally appeared before me, the undersigned authority in and for the said County and State, the within my jurisdiction, the within named Mackey Moore, who acknowledged that he is Vice Pres., of First Tennessee Bank National Association, Mississippi, and that for and on behalf of the said corporation, and as its act and deed, signed, sealed and delivered the above and foregoing Subordination Agreement for the purposes mentioned on the day and year therein mentioned, after first having been duly authorized by said corporation so to do.

Given under my hand and official seal this the 15 day of December, 1998.

Barba R. Boyd
NOTARY PUBLIC

My Commission Expires:



PREPARED BY:
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