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BK 2,601 PG 706
DESOTO COUNTY, MS
W.E. DAVIS, CH CLERK

Prepared by/Revised to:
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Attorneys at Law
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Bourbon, MS 38871-0286
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SUBORDINATION AGREEMENT

THIS AGREEMENT made this 26 day of October, 2006, by and between Frank Stockdale Carney and Trent Hitchcock, Trustees of the Trent Hitchcock Irrevocable Trust (hereinafter referred to as "Bank") and Scott McKnett and Mitchell Shaw (hereinafter referred to as "Borrower").

The parties recite and declare that:

- a) Bank has a lien in the amount of \$180,000.00 against Borrower recorded in Book 2,213, Page 379, the Office of the Chancery Court Clerk of DeSoto County, Mississippi, covering the property fully described in "Exhibit A" attached hereto
- b) Subsequently Borrower formed MSM Land Development Group, a Mississippi Limited Liability Company, composed of Scott McKnett, Mitchell Shaw and Bubba mann as Members (hereinafter referred to as "LLC") and has transferred said property to LLC
- c) LLC desires to increase its development loan in the amount of \$2,836,000 00 from Merchants and Farmers Bank (hereinafter referred to as "Lender"), but Lender requires that such loan be secured by a Trust Deed on said property that will be prior to Bank's lien
- d) Bank is willing to subordinate their lien insofar as it encumbers the above described premises to the aforesaid Trust Deed LLC will execute in favor Lender in order that LLC may obtain such loan from Lender.

For the reasons set forth above, and in consideration of the mutual covenants and promises of the parties hereto, it is agreed as follows:

1. Subordination. As an inducement to Lender to grant such loan to LLC, Bank does hereby subordinate the lien against LLC on the property hereinabove described, to the Trust Deed in favor of Lender that is being or has been recorded. Bank and LLC declare that the lien of the Trust Deed in favor of Lender shall be and is in all respects a lien prior and superior to the lien of the Trust Deed in favor of Bank.

2. Approval of Loan Terms. The terms of the loan from Lender to LLC are as follows: \$2,836,000 00 due on or before October 25, 2007 with interest due monthly beginning November 17, 2006 at a rate of prime plus one-half percent floating Bank hereby approves such terms

Rick

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3. This Agreement shall inure to the benefit of Lender, its successors and assigns, and shall be binding on Bank and LLC, their successors and assigns

IN WITNESS WHEREOF, The parties have executed this Agreement on the day and date first written above

Trent Hitchcock Irrevocable Trust

Frank Stockdale Carney
Frank Stockdale Carney
Its: Trustee

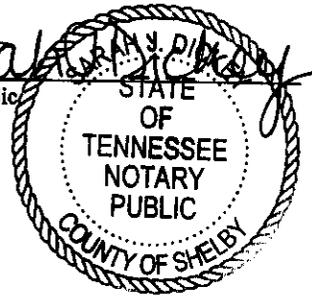
Trent Hitchcock
Trent Hitchcock
Its: Trustee

State of ~~Mississippi~~ *Tennessee*

County of ~~DeSoto~~ *Shelby*

Personally appeared before me, the undersigned authority in and for the said county and state, on this 26 day of October 2006, within my jurisdiction, the within named Frank Stockdale Carney and Trent Hitchcock, who acknowledged that they are Trustees of the Trent Hitchcock Irrevocable Trust and that in said representative capacity they executed the above and foregoing instrument, after first having been duly authorized so to do

Sarah A. Dickey
Notary Public



My commission expires:

**MY COMMISSION EXPIRES
NOVEMBER 30, 2008**