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WLWS #15996.36464

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**SUBORDINATION AGREEMENT**

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## SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT ("Agreement"), made and entered into as of the 19<sup>th</sup> day of January, 2011, by First State Bank, a Mississippi banking corporation, having an address of P.O. Box 580, Holly Springs, Mississippi 38635 (hereinafter referred to as the "Second Mortgagee") for the benefit of RiverSource Life Insurance Company (f/k/a IDS Life Insurance Company), a Minnesota corporation, having an address of 25540 Ameriprise Financial Center, Minneapolis, MN 55474 (hereinafter referred to as the "First Mortgagee").

### PRELIMINARY RECITAL:

A. The First Mortgagee is the owner and holder of that certain Deed of Trust and Security Agreement and Fixture Financing Statement **with Assignment of Leases and Rents** made and delivered by Village Shops Partnership, a Mississippi general partnership (the "Borrower"), dated October 30, 2006, in the stated principal amount of \$2,350,000.00, filed in the office of the Chancery Clerk, DeSoto County, Mississippi, on October 30, 2006 in Deed of Trust Book 2594, Page 634 (hereinafter referred to as the "First Mortgage"), which constitutes a lien against the real property described on Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Premises").

B. The Second Mortgagee is the owner and holder of that certain Land Deed of Trust made and delivered by Borrower, to the Second Mortgagee dated January 3, 2011, in the stated principal amount of Ninety-Five Thousand One Hundred Eighteen and 00/100 Dollars (\$95,118.00), filed in the office of the Chancery Clerk, DeSoto County, Mississippi, on January 5, 2011 in Deed of Trust Book 3262, Page 526 (hereinafter referred to as the "Second Mortgage"), which constitutes a lien against the Premises.

C. As a condition of the First Mortgagee approving the lien of the Second Mortgage, and the First Mortgagee requires that the Second Mortgage be subordinated to the First Mortgage.

D. The Borrower has requested the Second Mortgagee to subordinate the Second Mortgage to the First Mortgage in order to induce the First Mortgagee to approve Second Mortgage Loan, and the Second Mortgagee is willing to do so.

NOW THEREFORE, in consideration of the First Mortgage Loan and One and 00/100 Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Second Mortgagee hereby agrees as follows:

1. The Second Mortgagee does hereby subject and subordinate the Second Mortgage and the lien thereof against the Premises and any other security given to or held by the Second Mortgagee as security for payment of the indebtedness secured by the Second Mortgage to the First Mortgage and any other security given by the Borrower for repayment of the First Mortgage Loan and to each and every advance made by the First Mortgagee, its successors and assigns, pursuant to the First Mortgage Loan, and to any renewal, extensions or consolidations of the same.

2. The Second Mortgagee warrants that it is the owner of the Second Mortgage as above described and has all right and title to enter into this Subordination Agreement.
3. The Second Mortgagee hereby agrees to give First Mortgagee written notice of any default by Borrower under the Second Mortgage Loan. Such notice shall be given in the manner described in this Agreement. First Mortgagee shall have the right to cure or commence to cure any such default and thereafter proceed with the cure in good faith and with reasonable diligence. First Mortgagee shall be given a ten (10) day grace period beyond any grace period provided to Borrower regarding such default. In no event shall First Mortgagee be obligated to cure such default, nor shall First Mortgagee be deemed to have assumed any obligations of Borrower under the Loan because of such notice or because First Mortgagee cured or caused to be cured any such default by Borrower.
4. The Second Mortgagee agrees that the First Mortgage Loan, the First Mortgage and any other security given in connection therewith may from time to time be extended, altered, modified and renewed without the consent of the Second Mortgagee and without said actions affecting the full and complete subordination of the Second Mortgage to the First Mortgage. The Second Mortgagee consents to any release of all or any part of the security given for payment of the First Mortgage Loan, any acceptance of additional security of any kind and any release of or resort to any party liable for payment thereof, all without affecting the subordination of the Second Mortgage to the First Mortgage.
5. The Second Mortgagee agrees that it shall not extend or modify the Second Mortgage or any documents executed in connection therewith without the First Mortgagee's prior written consent.
6. No waiver or release or relinquishment of the rights of the First Mortgagee under this agreement shall be construed by any action on the part of the First Mortgagee unless said waiver or release is expressly contained in an instrument executed and delivered by the First Mortgagee to the Second Mortgagee.
7. All notices, payments, requests, reports, information or demands which any party hereto may desire or may be required to give to any other party hereunder, shall be in writing and shall be personally delivered or sent by hand delivery, facsimile, overnight courier or first-class certified or registered United States mail, postage prepaid, return receipt requested, and sent to the party at its address appearing herein or such other address as any party shall hereafter inform the other party hereto by written notice given as aforesaid.
8. In the event of a dispute involving this Agreement or any of the other documents executed in connection herewith, the parties hereto irrevocably agree that venue for any such dispute shall be in any court of competent jurisdiction in the State of Minnesota. The undersigned hereby submit themselves to the jurisdiction of the Courts of the State of Minnesota and waive any claim of lack of personal jurisdiction.
9. This Subordination Agreement and the burdens contained herein shall run with the Second Mortgage and shall be binding upon the Second Mortgagee, its successors and assigns, including any subsequent holders of the Second Mortgage from and after the date





**EXHIBIT "A"**

Lots 2 and 3, Phase One, The Village Shops of Crumpler Place, situated in the northwest quarter and the northeast quarter of Section 32, Township 1 South, Range 6 West, City of Olive Branch, DeSoto County, Mississippi as per plat recorded in Plat Book 47, Page 32, Chancery Clerk's Office, DeSoto County, Mississippi.

The land is also described as follows;

Lot 2:

Commencing at the northwest corner of Section 32, Township 1 South, Range 6 West in Olive Branch, DeSoto County, Mississippi; thence S 89°18'00" E, and with the north line of Section 32 and the center of Goodman Road (148-foot R/W at this point), a distance of 1,955.60 feet to a point; thence S 00°42'00" W a distance of 209.24 feet to a point in the east line of Crumpler Boulevard (R/W varies); thence S 04°08'01" W, and with said east line, a distance of 65.00 feet to the true POINT OF BEGINNING; thence S 89°29'09" E, and with the south line of Lot 4 and a south line of Lot 1, a distance of 247.81 feet to an iron rod (found); thence S 00°30'51" W, and with a west line of Lot 1, a distance of 346.28 feet to an iron rod (set), thence S 89°29'08" E a distance of 68.32 feet to an iron rod (set); thence S 00°30'48" W a distance of 288.55 feet to an iron rod (found); thence N 89°19'47" W a distance of 117.11 feet to a point in the east line of Crumpler Boulevard; thence N 42°34'15" W, and with said east line, a distance of 79.91 feet to a point of tangent curve; thence along a curve to the right having a radius of 545.88 feet an arc distance of 412.25 feet (chord = N 20°56'09" W 402.53 feet) to a point in said east line; thence N 00°41'58" E, and with the east line of Crumpler Boulevard, a distance of 166.40 feet to a point; thence N 04°08'00" E a distance of 35.18 feet to the POINT OF BEGINNING.

Lot 3:

Commencing at the northwest corner of Section 32, Township 1 South, Range 6 West in Olive Branch, DeSoto County, Mississippi; thence S 89°18'00" E, and with the north line of Section 32 and the center of Goodman Road (R/W varies), a distance of 2,795.28 feet to a point; thence S 00°42'00" W a distance of 100.00 feet to an iron rod (set), the true POINT OF BEGINNING; thence S 00°40'15" W a distance of 810.19 feet to an iron rod (found); thence N 89°19'47" W a distance of 255.74 feet to an iron rod (found); thence N 00°30'51" E, and with the east line of Lot 1, a distance of 289.29 feet to an iron rod (set); thence S 89°29'16" E a distance of 21.68 feet to an iron rod (set); thence N 00°30'50" E, and with the east line of Lot 1, a distance of 346.28 feet to an iron rod (set); thence S 89°29'09" E, and with the south line of Lot 5, a distance of 187.80 feet to an iron rod (set); thence N 00°40'12" E, and with the east line of Lot 5, a distance of 173.96 feet to an iron rod (set) in the south line of Goodman Road

(200-foot R/W at this point); thence S 89°26'31" E, and with said south line, a distance of 48.00 feet to the POINT OF BEGINNING.

Together with rights set forth in that certain Reciprocal Easement Agreement executed by and between The Kroger Co., an Ohio corporation, and Crumpler Place, L.P., a Mississippi Limited Partnership, dated November 3, 1994, and filed for record on December 9, 1994, at 4:00 P.M. in Book 279, Page 318 of the Land Deed Records in the office of the Chancery Clerk of DeSoto County, Mississippi; as amended by that certain First Amendment to Reciprocal Easement Agreement executed by The Kroger Co., an Ohio corporation, and Crumpler Place, L.P., a Mississippi Limited Partnership, dated December 5, 1994, and filed for record on December 9, 1994, at 4:01 P.M. in Book 279, Page 343, of the aforesaid records; as further amended by that certain Second Amendment to Reciprocal Easement Agreement executed by Utle Properties, Kroger Limited Partnership I, McDonald's Corporation and AutoZone, Inc. dated February 5, 2001, and recorded in Book 389, Page 380, of the aforesaid records.

Together with the rights set forth in that certain Shopping Center Easement executed by and between Edward A. Crumpler, Dianna T. Crumpler, Edward A. Crumpler, Jr., Marla Crumpler Grewe and Desianna Properties, a Tennessee general partnership, dated September 20, 1994, and filed for record on September 27, 1994, at 4:38 P.M. in Book 67, Page 262, of the aforesaid records.

LESS AND EXCEPT

Lot 2A, Phase 1, The Village Shops of Crumpler Place, as described in Plat Book 105, Page 13, Chancery Clerk's Office, DeSoto County, Mississippi.

AND, LESS AND EXCEPT

Part of Lot 3, Phase 1, The Village Shops of Crumpler Place, as recorded in Plat Book 105, Page 13, in the DeSoto County, Mississippi Chancery Clerk's Office and lying in the Northwest Quarter of Section 32, Township 1 South, Range 6 West, Olive Branch, DeSoto County, Mississippi.

Commencing at a found iron pin in the North Right-Of-Way line of Lodging Lane (public, asphalt paved, Right-Of-Way varies) at the common southern corner of Lots 1 and 3, The Village Shops of Crumpler Place as recorded in Plat Book 105, Page 13, said iron pin being 4.8 feet North of the back of curb of Lodging Lane; thence North 00 degrees 09 minutes 25 seconds West along the line between Lots 1 and 3 (leaving said North line) a distance of 88.29 feet to the true point of beginning; thence continue North 00 degrees 09 minutes 25 seconds West along said common line dividing Lots 1 and 3 a distance of 201.00 feet to an internal corner of Lots 1 and 3; thence North 89 degrees 50 minutes 35 seconds East along the line dividing Lots 1 and 3 and the projection thereof a distance of 80.00 feet; thence South 00 degrees 09 minutes 25 seconds East a distance of 201.00 feet;

thence South 89 degrees 50 minutes 35 seconds West a distance of 80.00 feet to the point of beginning.