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SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT made this 3rd day of August, 2004, by and between **Central Carolina Bank, a Division of National Bank of Commerce, Memphis, Tennessee**, Parties of the First Part and **Kenneth Corman Otis, III**, Party of the Second Part;

WITNESSETH:

THAT WHEREAS, Party of the Second Part have executed Promissory Note secured by a Deed of Trust, dated March 26, 2004, in the amount of \$21,000.00, on property hereafter described to Central Carolina Bank, a Division of National Bank of Commerce, Memphis, Tennessee, Parties of the First Part, and Southland Associates, Inc., Trustee, and which Deed of Trust is recorded Book 2460, Page 545, Forsyth County Registry;

AND THAT WHEREAS, Parties of the Second Part have executed a subsequent Promissory Note secured by a Deed of Trust dated July 14, 2004 in the amount of \$15,000.00 on the same property hereinafter described below and which said Deed of Trust is recorded in Book 2491, Page 1587, Forsyth County Registry;

SEE ATTACHED EXHIBIT "A"

AND WHEREAS, the Parties of the First Part have agreed to such subordination:

NOW, THEREFORE, in consideration for the sum of ten dollars and other good and valuable considerations, the Parties of the First Part agree and by the execution of this Subordination Agreement do subordinate their Deed of Trust, which is recorded in Book 2460, Page 545, Forsyth County Registry, so that the lien of the subsequent Deed of Trust is now superior to the Deed of Trust of the Parties of the First Part, and for no other purpose.

That except for the terms of this Subordination Agreement, the rights of the Parties of the First Part in and to that Deed of Trust recorded in Book 2460, Page 545, Forsyth County Registry shall be and remain in full force and effect.

IN WITNESS WHEREOF, the said Parties of the First Part have hereunto set their hand and seals the day and year first above written,

CENTRAL CAROLINA BANK, a Division of National
Bank of Commerce, Memphis, Tennessee,

By: Robin K. Miller
~~First~~ Vice President

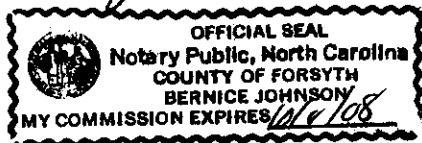
STATE NORTH CAROLINA
Forsyth COUNTY

I, Bernice Johnson A Notary Public in and for the aforesaid county and state,
do hereby certify that Robin K Miller personally appeared before me this
day and acknowledged that (s)he is the First Vice President of CENTRAL CAROLINA BANK, a Division of
National Bank of Commerce, Memphis, Tennessee, and that by the authority duly given and as an act of the
corporation, the foregoing instrument was signed in its name by its First Vice President.

Witness my hand and official seal this 3rd day of August, 2002.

My commission expires: 10/11/08
Bernice Johnson

Notary Public.



STATE OF NC - FORSYTH CO The foregoing certificate(s) of:
Bernice Johnson NP(s)
is certified to be correct at the date of recording shown on the first page thereof,
Dickie C. Wood, Register of Deeds by: [Signature] Deputy/Asst.

EXHIBIT "A"

LEGAL DESCRIPTION

All that certain parcel of land situated in CITY OF WINSTON-SALEM being known as LOT 8 AS SHOWN ON THE MAP OF MELROSE, PLAT BOOK 3, PAGE 87, TAX ID NO. 1080-08, and being more fully described in DEED BOOK 2388 PAGE 1052 recorded on 08/14/2003 among the land records of FORSYTH County, NC.

Being the same property conveyed to KENNETH CORMAN OTIS, III by deed from ROBERT A. STACY, JAMELIA F. STACY dated 08/14/2003, recorded 08/14/2003, in DEED BOOK 2388 PAGE 1052