

AFTER RECORDING, PLEASE RETURN TO:
Federal Deposit Insurance Corporation
Legal Division Jack Vandervoort
1910 Pacific Ave., ODC - 12th Floor
Dallas, TX 75201

N/A

BOOK 80 PAGE 683

STATE MS. DESOTO CO.
FILED

APR 15 2 12 PM '99

BK 80 PG 683
W.E. DAVIS CH. CLK.

CORPORATE PURCHASE
AND ASSUMPTION AGREEMENT

Mercantile Savings Bank
Southaven, Mississippi
Fin No. 7896

THIS CORPORATE PURCHASE AND ASSUMPTION AGREEMENT ("CPA"), made and entered into as of the 14th day of OCT., 1998, by and between FEDERAL DEPOSIT INSURANCE CORPORATION, as Receiver (the "Receiver") of Mercantile Savings Bank, Southaven, Mississippi (the "Failed Institution") (collectively, the "Receiver") and FEDERAL DEPOSIT INSURANCE CORPORATION, in its corporate capacity (the "Corporation").

RECITALS

A. The Receiver has determined pursuant to the authority vested in it by Section 11 of the Federal Deposit Insurance Corporation Act, as amended (the "FDIA"), 12 U.S.C. § 1821, that it is appropriate and necessary to terminate the Receivership.

B. In connection with such termination, the Receiver has determined that in accordance with Section 13 of the FDIA, 12 U.S.C. § 1823, that it is necessary and appropriate to transfer the remaining assets and certain specified liabilities of the Receivership to the Corporation.

C. The Corporation desires to purchase such assets and assume such liabilities from the Receivership.

NOW, THEREFORE, in consideration of the agreements contained herein and intending to be legally bound, the Receiver and the Corporation agree as follows:

ARTICLE I

ASSUMPTION OF LIABILITIES
AND OBLIGATIONS

1.1 Liabilities Assumed. The Corporation hereby assumes, and agrees to pay, perform and discharge, all of the following liabilities and obligations of the Receivership set forth in this section and, except as expressly set forth elsewhere in this CPA, none other:

(a) The Receivership's contractual obligations listed on Schedule 1 attached hereto.

(b) The Receivership's obligations under the participation loan agreements listed on Schedule 2 attached hereto.

(c) Such other liabilities and obligations of the Receivership listed on Schedule 3 attached hereto.

(d) To the extent payable under the applicable priority of claims provisions including but not limited to 12 C.F.R. Section 360.3 or 12 U.S.C. § 1821(d)(11)(A) (or any successor provisions), the Corporation hereby assumes all of the Failed Institution's liabilities for state income and franchise taxes that may be determined to be due from the Failed Institution.

1.2 Limit of liabilities assumed and use of deposit insurance. In accordance with the requirements of 12 U.S.C. § 1821(I), the Receiver and the Corporation hereby agree that the liabilities assumed pursuant to this CPA by the Corporation are assumed only to the extent that such liabilities would have been satisfied by the Receiver from assets of the Receivership's estate. The Corporation shall not be obligated to utilize funds from any of the deposit insurance funds which it administers or any other appropriated funds administered by the Corporation.

1.3 No other liabilities assumed. Except for the obligations and liabilities of the Failed Institution and the Receiver specifically described herein, the Corporation shall not assume any obligation or liability of the Failed Institution or the Receiver, and the Corporation shall not be deemed the successor of the Failed Institution or the Receiver for any purpose. Nothing contained in this CPA is intended or shall be construed to give any person other than the Receiver and the Corporation any legal or equitable right, remedy, benefit or claim under or in respect to this CPA, it being the intention of the parties hereto that this CPA and the obligations hereunder are for the sole and exclusive benefit of the Receiver and the Corporation and for the benefit of no other person.

ARTICLE II

PURCHASE OF ASSETS

2.1 Assets Purchased. The Corporation hereby purchases and accepts from the Receiver, and the Receiver hereby sells, assigns, transfers, conveys and delivers to the Corporation, all right, title and interest of the Receiver in and to all of the assets described in a corporate purchase asset list which shall be attached as EXHIBIT A to this CPA.

2.2 Liability Released. In consideration of payment received, the Corporation is hereby released from any obligation to pay to the Receiver the proceeds of any claim previously transferred to it by the Receiver through a "contract of sale" or similar document.

2.3 Recording. When required by the Corporation, the Receiver and the Corporation shall work together to record any documents evidencing or relating to the transfer of the assets under this CPA, including without limitation, the assignment of any mortgage, or like instrument, to the Corporation from the Receiver. The Receiver shall use its best efforts to complete the documentation and delivery thereof required by subparagraph (a) of this Section 2.3 prior to the execution of that certain certificate of termination by the parties hereto which terminates the Receivership.

2.4 Later-Discovered Assets. In addition to the assets transferred to the Corporation pursuant to Section 2.1 of this CPA, the Receiver hereby assigns, transfers and conveys to the Corporation any assets owned by the Receiver the existence or ownership of which are not known to the Receiver as of the date hereof.

2.5 Recording of Asset Transfer by Corporate.

(a) To induce the Corporation to accept the assignment of certain assets from the Receiver, including without limitation, real estate and loans secured by real property, and subsequent to the execution of that certain certificate of termination between the parties, the Receiver hereby grants to the Corporation authority to prepare, execute, file and record such documents and to do all such further acts on behalf of the Receiver as shall be necessary or proper, to vest in the Corporation legal and beneficial title to the assets that it acquires pursuant to Sections 2.1 and 2.4 of this CPA. These powers are not limited to the assets described in the attached schedules but shall extend to any and all assets that the Corporation shall acquire from the Receiver. The Corporation shall have the right but not the duty to accept any asset assigned under Section 2.4. The powers granted herein shall extend to all assets assigned to the Corporation regardless of when the assets are assigned. These powers are coupled with an interest, are irrevocable and shall survive termination of the Receivership.

(b) The Receiver grants to the Corporation the power to prepare, execute, file and record all such documents as would be required of the Receiver including but not limited to, deeds, contracts, leases, assignments, bills of sale, endorsements, discharges, satisfactions, full or partial releases, affidavits or other title curative documents, in form and substance as determined by the Corporation in connection with assets held by the Receiver at any time, specifically including those assets not assigned to the Corporation by the Receiver. The powers granted herein are irrevocable and shall survive termination of the Receivership.

2.6 Unknown Claims. The Receiver hereby further assigns, transfers, conveys and sets-over to the Corporation any and all claims, causes, actions or judgments, if any, whether known or unknown, presently accrued or hereafter accruing in

favor of the Receivership with respect or relative to the acts or omissions of any individual or entity whose actions or omissions have caused or resulted in losses or damages to the Receivership. This Section 2.6 is limited to claims that arose subsequent to the inception of the receivership and is exclusive of those actions, judgments or claims specified in, and assigned by the Receiver to the Corporation under the provisions of Section 2.1 of this CPA.

2.7 Repurchase Rights. The Receiver hereby assigns, transfers and conveys to the Corporation all of the Receiver's rights with respect to the Receiver's option to repurchase, pursuant to repurchase rights or otherwise, any asset of the Failed Institution or any predecessor thereof. Nothing contained in this Section 2.7 shall obligate the Corporation to purchase any asset.

2.8 Restitution Orders. The Receiver hereby designates the Corporation as the appropriate recipient of any restitution ordered, or which may later be ordered, in favor of the Receiver as part of any civil, criminal or administrative proceedings.

ARTICLE III

DISTRIBUTION OF RECEIVER'S FINAL DIVIDEND

The Corporation hereby agrees to issue and distribute checks on behalf of the Receiver for the payment of dividends to creditors of the Receivership from the date hereof until the termination of the receivership. The funding for the payment of such checks shall be solely the responsibility of the Receivership. In connection with issuance of such checks, the Corporation shall clearly disclose to the recipients thereof that the checks are being issued on behalf of the Receivership.

ARTICLE IV

CONSIDERATION

4.1 Calculation of Payment. As consideration for the assets, releases, rights and purchase options acquired by the Corporation under this CPA, and thereby to induce the Corporation to assume the liabilities and obligations assumed under this CPA, (a) the Corporation shall assume the liabilities and obligations specified in Article II and certain other obligations, duties and liabilities as provided elsewhere in this CPA, and (b) the Corporation shall pay to the Receiver an amount, the receipt and sufficiency of which is hereby acknowledged by the Receiver, equal to the sum of the following:

- (i) the mutually agreed purchase price of the assets transferred pursuant to Section 2.1 and obligations released, if any, pursuant to Section 2.2 of this CPA; minus
- (ii) the aggregate value as set forth in Schedule 3 of the liabilities assumed pursuant to Section 1.1 (c).

4.2 Method of Payment. Such payment shall be made, if any payment is required, in any manner agreed to by the Receiver and the Corporation including by the reduction of any obligation of the Receiver to the Corporation, such as obligations of the Receiver to the Corporation as subrogee of the depositors of the Failed Institution or any funds advanced to the Receiver by the Corporation.

ARTICLE V

MISCELLANEOUS

5.1 Entire Agreement. This CPA embodies the entire agreement of the parties in relation to the subject matter herein and supercedes all prior understandings or agreements, oral or written, between the parties.

5.2 Headings. The headings and subheadings of the Articles and Sections contained in this CPA are inserted for convenience only and shall not affect the meaning or interpretation of this CPA or any provision thereof.

5.3 Counterparts. This CPA may be executed in any number of counterparts and by the duly authorized representative of a different party on separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

5.4 Governing Law. This CPA and the rights and obligations hereunder shall be governed by and construed in accordance with the Federal law of the United States of America, and in the absence of controlling Federal law, in accordance with the laws of the State of Texas.

5.5 Successors. All terms and conditions of this CPA shall be binding on the successors and assigns of the Corporation.

5.6 Severability. If any provision of this CPA is invalid or unenforceable, then, to the extent possible, all of the remaining provisions of this CPA shall remain in full force and effect and shall be binding upon the parties.

5.7 Exhibits and Schedules. The following exhibits and schedules contemplated by this CPA are attached hereto:

Exhibit A	Corporate Purchase Asset List
Schedule 1	Assumption of Contracts
Schedule 2	Liabilities Assumed
Schedule 3	Participation Loans Assigned

IN WITNESS WHEREOF, the Receiver and the Corporation have caused this CPA to be executed on the date first above written.

Signed, sealed and delivered in the presence of

Richard Prochaska
Print Name: RICHARD PROCHASKA
Jean Nelson
Print Name: JEAN NELSON

FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER OF Mercantile Savings Bank

By: *Steven E. Hester*
Name: STEVEN E. HESTER
Title: Attorney-in-Fact

Signed, sealed and delivered in the presence of

Richard Prochaska
Print Name: RICHARD PROCHASKA
Jean Nelson
Print Name: JEAN NELSON

FEDERAL DEPOSIT INSURANCE CORPORATION, IN ITS CORPORATE CAPACITY

By: *Susan D. Bridges*
Name: SUSAN D. BRIDGES
Title: Attorney-in-Fact

ACKNOWLEDGEMENTS

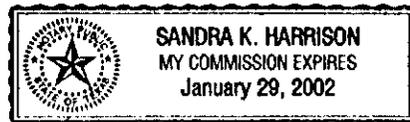
STATE OF Texas)
) §§
COUNTY OF Dallas)

I HEREBY CERTIFY that on this 14th day of October, 1998 before me personally appeared Steven E. Hester, as Attorney-in-Fact for FEDERAL DEPOSIT INSURANCE CORPORATION, AS RECEIVER OF Mercantile Savings Bank, who is personally known to me, who signed the foregoing instrument and who acknowledged the execution thereof to be his/~~her~~ free act and deed for the uses and purposes therein mentioned.

WITNESS my signature and official seal at Dallas, Tx, in the County of Dallas.

Sandra K. Harrison
Print Name: Sandra K. Harrison
NOTARY PUBLIC
My Commission Expires: 01-29-2002

[NOTARIAL SEAL]



STATE OF Texas)
) §§
COUNTY OF Dallas)

On this 14th day of October, 1998 before me, Notary Public in and for the State of Texas, personally appeared Susan O. Bridges, to me known personally, who being by me first duly sworn did depose that ~~he~~/she is Attorney-in-Fact of the Federal Deposit Insurance Corporation, the Corporation in whose name the foregoing Corporate Purchase and Assumption Agreement (CPA) has been subscribed, and that the said CPA was subscribed on behalf of the said Corporation by due authority of the Corporation's Board of Directors, and the said Attorney-in-Fact acknowledged the said CPA to be the free act and deed of said Corporation.

Sandra K. Harrison
Print Name: Sandra K. Harrison
NOTARY PUBLIC
My Commission Expires: 01-29-2002

[NOTARIAL SEAL]

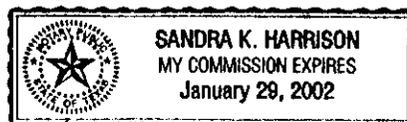


EXHIBIT A
CORPORATE PURCHASE ASSET LIST

None

SCHEDULE 1

ASSUMPTION OF CONTRACTS

[List of Agreements with Contractors who will continue to provide services to the Corporation under agreements entered into by the Failed Institution or the Receiver.]

None

SCHEDULE 2

LIABILITIES ASSUMED

[List all additional liabilities and obligations of the Failed Institution or the Receiver, including Defensive litigation, to be assumed by the Corporation pursuant to the Termination Case]

None

SCHEDULE 3

PARTICIPATION LOANS ASSIGNED

[List all participation loans assigned to and assumed by the Corporation.]

None