

DEED OF TRUST AND SECURITY AGREEMENT

Page 1

Loan No. : SE 809400
Name : Glenn A. Adair
Assn. : FLBA OF NORTH MISSISSIPPI
Branch : Senatobia

Borrower's Initials GA SA

~~CANCELLED BY AUTHORITY, RECORDED IN BOOK~~

STATE OF MISSISSIPPI
COUNTY OF DESOTO

1262 PAGE 735
THIS 7 DAY OF NOV 2000

W.E. Davis
CHANCERY CLERK by Cleveland

Glenn A. Adair and spouse Sharon A. Adair

hereinafter "Borrower," whether one or more, is/are indebted to the FARM CREDIT BANK OF TEXAS, a corporation and federal instrumentality, hereinafter "Beneficiary," in the principal sum of THIRTY TWO THOUSAND Dollars together with interest thereon, as evidenced by a promissory note, payable to the order of the FARM CREDIT BANK OF TEXAS which bears interest and is payable according to the terms of said note and which has a final maturity date of November 01, 2004 ;

NOW, THEREFORE, in consideration of the premises and in order to secure the prompt and full payment of said indebtedness, and any future advance(s), additional advance(s), and/or readvance(s), and/or any renewal(s), extension(s), restructuring(s), reamortization(s), and/or any other loan treatment(s) thereof, or any part thereof, and the interest thereon and any and all other indebtedness(es) (including future advance(s) now or hereafter owed by any of the undersigned to the Beneficiary), whether such indebtedness(es) is/are primary or secondary, direct or indirect, contingent or absolute, matured or unmatured, joint or several, and otherwise secured or not, and to secure the faithful performance of and compliance with all the terms, agreements, provisions, obligations, covenants, conditions, warrants, representations, and stipulations herein made, or made in any Loan Agreement or in any other document related to the promissory note described herein,

Glenn A. Adair and spouse Sharon A. Adair

hereinafter "Grantor," whether one or more, in consideration of the premises and other good and valuable consideration paid to Grantor by Arnold R. Henson as Trustee, whose address is Post Office Box 15919, Austin, Texas 78761, hereinafter "Trustee," does hereby convey and warrant unto Trustee the following described real estate situated in

DESOTO, County(ies), Mississippi;

to wit:

See attached Exhibit "A"

together with all buildings and other improvements, hereditaments and appurtenances thereunto belonging, or in any wise appertaining now existing or hereafter erected upon the premises and all the income and rents arising therefrom. Grantor does hereby intend to convey and does convey all of Grantor's right, title, and interest in and to any strips and gores Grantor may now own contiguous to the above described property.

It is expressly understood and agreed, as a part of the consideration for the loan made to the Borrower and secured by the premises hereinabove described, this instrument covers and includes all surface, subsurface and/or mineral estate ownership now or after acquired by the undersigned in the above property and whether or not expressly excepted from the description to the above security premises, any provisions herein to the contrary being of no force and effect.

AND FOR THE CONSIDERATION AFORESAID, and as further security for any and all debt(s) and obligation(s) described above, said Grantor does hereby assign, pledge and transfer to the Beneficiary, and grant to the Beneficiary a security interest in and to the following described property and interests, to wit: (1) all timber of all kind, character and description planted and/or growing, or to be planted and/or grown, on the hereinabove described property; (2) all crop allotments, quotas, or (3) all rents, profits, issues, income, royalties, bonuses, and revenues of said property, or any part or interest herein, from time to time accruing, whether under leases or tenancies now existing or hereafter created; (4) each and every policy of hazard insurance, or the like, now or hereafter in effect which insures said property or any building, fixture and/or improvement thereon, or any part thereof, together with all the right, title and interest of Grantor in and to such policy, including but not limited to any premiums paid (or rights to return premiums) and/or all proceeds or payments thereunder; (5) all judgments, award of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the real property, or any part thereof, under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the property, or any part thereof, or to any rights appurtenant thereto; (6) all building materials, equipment, fixtures and fittings of all kind, character, and description used in connection with or relating to said property and/or buildings, fixtures or improvements thereon; and/or (7) all tangible or intangible property specifically described as follows, to wit:

and products, proceeds, additions and/or replacements of any or all of the above described property.

STATE MS. - DESOTO CO.
FILED
AUG 8 11 42 AM '99

Fed. Land Bank Assoc. of North
ASSIGNMENT OF THIS INSTRUMENT RECORDED IN Miss, FLBA
Real Estate Title BOOK
NO. 1130 PAGE 727
THIS THE 20th DAY OF July, 1999.
W.E. Davis
by: D. Stankay oc CHANCERY CLERK

BK 720 PG 112
W.E. DAVIS CH. CLK.
by: P. Stankay oc

GRANTOR FURTHER COVENANTS, WARRANTS, AND AGREES:
1. To pay when due all taxes, liens, judgments, assessments or fees assessed against said property and to promptly furnish Beneficiary with tax receipts or like documents evidencing payment of or release from all taxes, liens, judgments, assessments or fees. By execution hereof, Grantor agrees to pay when due all community water system assessment and meter fees, if any, applicable to said property, and in the event of foreclosure, hereby does transfer and assign to the purchaser all of Grantor's interest and membership, if any, in said community water system applicable to said property, and agrees to execute such documents as are necessary to effectuate such transfer.

Page 2

Loan No. : SE 809400
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Borrower's Initials

GA *SA*

2. To insure and keep insured buildings and other improvements now on, or which may hereafter be placed on, said premises, against loss or damage by fire, windstorm and/or all hazards included within "extended coverage," as well as loss or damage by flood, in areas designated by the U.S. Department of Housing and Urban Development as subject to flood, any policy evidencing such insurance to be deposited with, and loss thereunder to be payable to Beneficiary as its interest may appear, and providing for immediate notification to Beneficiary of any lapse, cancellation or other impairment of said insurance. All policies shall be written by reliable insurance companies authorized to write policies of insurance in the State of Mississippi, acceptable to Beneficiary. At the option of Beneficiary, and subject to general regulations of the Farm Credit Administration, sums received by Beneficiary from such insurance companies may be used to pay for reconstruction or repair of destroyed or damaged buildings or improvement(s); or, if not so applied may, at the sole option of the Beneficiary, be applied in payment of any indebtedness, matured or unmatured, secured by this deed of trust.
3. That premises hereinbefore described shall be continuously used for agriculture in a husbandlike manner; that waste will not be committed or permitted and adequate terraces and drainage ditches be constructed and maintained; that all improvements now on said premises, or hereafter put thereon, be kept in good condition and repair, and not be removed or demolished; that merchantable timber, stone, gravel, minerals, water, caliche, geothermal energy, clay, sand, soil or improvements not be removed from said security without the written consent of the Beneficiary. If timber land is involved as security, Grantor will follow good and approved forestry practices to minimize fire danger, guard against erosion or depreciation, protect young trees, and maintain forest production; it being intended and agreed, however, that no timber now or hereafter affected hereby will be cut, removed, damaged or turpented (except such as is customarily used on the property for fuel, fencing or repairs) without the prior written consent of the Beneficiary, and then only upon compliance with such terms and conditions as shall be established by Beneficiary. Grantor will promptly notify Beneficiary of any damage to timber from any source. Grantor will, where practical, promptly notify Beneficiary of any potential damage to timber. In the event this covenant, or any part, is breached, Grantor agrees to pay all costs and expenses, including reasonable attorney's fees, incurred by Beneficiary in investigating such violation and in protecting and preserving this security.
4. That this deed of trust and security agreement is a valid first lien against all the land, interests and improvements offered and/or appraised as security for this loan, and that the property and interests described herein is now free and clear of any and all other liens and encumbrances, except as otherwise set forth herein. If the validity of this deed of trust or if Grantor's title to any of said land, interests or improvements is questioned in any manner or if any part of such land, interests or improvements is not properly described herein, Beneficiary may, in its discretion, investigate and take such action as it considers necessary or desirable for the protection of its interests and for this purpose may employ legal counsel or expert assistance and Grantor will promptly pay all expenses so incurred by Beneficiary.
5. That if Grantor defaults in any of the provisions of paragraphs 1, 2, 3, 4, or 14 hereof, then Beneficiary may pay such taxes, liens, judgments, or assessments, obtain and pay for such insurance, or advance such attorney's fees, expenses and costs Beneficiary determines are necessary to protect Beneficiary's interests and Grantor agrees to immediately pay Beneficiary all amounts so advanced, and that all amounts so advanced shall be secured hereby.
6. That all representations and statements made in the application for this loan are true and correct, that the proceeds of this loan will be used solely for the purposes specified in said application, and that Grantor and Borrower will comply with all requirements and conditions imposed by Beneficiary in making this loan.
7. To not sell, assign, or convey any part or all of the mortgaged premises (regardless of whether the buyer or assignee "assumes" the note or takes the mortgaged premises "subject to" such note, or whether by contract for deed or sale) without first obtaining the Beneficiary's prior written consent as long as the above note or any part remains unpaid. If Grantor or one of the Grantors is a corporation, not to change the substantial ownership and/or control of said corporation, without first obtaining the Beneficiary's prior written consent as long as the above note or any part remains unpaid.
8. That all payments of principal and interest (or any part thereof) not made when due shall bear interest from due date to the date of payment thereof by maker or assumpor at the default rate which is equal to the current interest rate of the note at date payment is made plus an additional four percent (4%) per annum. All advances made by the holder hereof shall be secured by and under this deed of trust and shall be payable with default interest from the date each advance is made until paid by maker or assumpor at the rate which is equal to the current interest rate of the note at the date repayment is made plus an additional four percent (4%) per annum. Should repayment not be made by the maker or assumpor, the default interest rate of this note shall be fixed at the time legal proceedings of whatever character are instituted or at the time the indebtedness thereby created is matured or reinstated.
9. That Beneficiary may at any time, without notice, release any of the property described herein, grant extensions or deferments of time of payment of the indebtedness secured hereby, or any part thereof, grant subordinations of lien(s), or release from liability any parties who are or may become liable for the payment of said indebtedness, without affecting the priority of this lien or the personal liability of the Grantor or Borrower or any other party liable or who may become liable for the indebtedness secured by this instrument. If all or any part of the property hereinabove described becomes vested in any party other than Grantor, Mortgagee may, without notice to Grantor, deal with such successor in interest with reference to this instrument and the debt(s) and obligation(s) hereby secured in the same manner as with the Grantor, without in any way releasing, vitiating or discharging the Grantor's or Borrower's liability hereunder or for the debt(s) and obligation(s) hereby secured, and extension(s) of time for payment or other loan treatment(s) described herein given or permitted by Mortgagee shall not operate to release, vitiate, or discharge the liability of the Grantor or Borrower herein, either in whole or in part.
10. This instrument and the note secured hereby are subject to the Farm Credit Act of 1971 and regulations promulgated pursuant thereto, and all Acts amendatory thereof or supplementary thereto, and the laws of the State of Mississippi, not inconsistent therewith.
11. That the failure of Beneficiary to exercise any option or make any decision or election under any term or covenant, herein expressed, shall not be deemed a waiver of the right to exercise such option or to make such decision or election at any time.
12. That each covenant and agreement herein contained shall inure to the benefit of and bind the successors and assigns of Beneficiary and Grantor.
13. That the following are authorized to select and substitute another Trustee in the place of the above named Trustee or any successor at any time any of them may so desire: (1) the Beneficiary herein acting through its President, Executive Vice President, Senior Vice President, Vice President, Treasurer, or Secretary, (2) any future holder of the indebtedness secured hereby. It shall not be necessary to obtain the consent or resignation of the original Trustee or any successor Trustee before appointing another Trustee in his place and any such appointee, who may be an agent, employee or officer of Beneficiary, shall have full and sole power as Trustee herein.
14. That in the event they purchase life insurance (group, credit or other) in connection with this loan but subsequently fail to pay the premium to keep same in force, the Beneficiary, at its option, may pay such premium on Grantor's or Borrower's behalf, charge such payment to the loan, and such advance of premiums shall be secured by this mortgage and bear interest the same as other advances provided for in this deed of trust. Any policy evidencing such insurance to be deposited with and any loss thereunder to be payable to Beneficiary as its interest may appear.
15. To furnish to the Beneficiary upon request a financial statement and income statement attested to by Grantor or Borrower or verified by a public accountant.
16. All parties to this deed of trust or to the note hereby secured covenant and agree that upon the death of any signatory, maker, or comaker of such note, the owner and holder of said note may, at holder's option, mature or accelerate the entire balance owing

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Page 3

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on said note, whereupon all amounts owing by virtue thereof shall be immediately due and payable.

Now, if Grantor or Borrower shall pay said indebtedness and any future advances, additional advances, readvances or any other indebtedness in addition to the original indebtedness set forth herein, and secured hereby, and keep and perform all of the covenants and agreements of this deed of trust, it shall become null and void.

If Grantor or Borrower fails to pay when due any sums secured hereby or should Grantor or Borrower (or any one of them) fail to abide by or perform any of the agreements contained herein, become insolvent, commit an Act of Bankruptcy, or authorize the filing of voluntary petition in bankruptcy, or allow the above described property to be taken over by a Receiver as long as the above note remains unpaid, or be adjudicated a bankrupt, or made defendant in a bankruptcy or receivership proceeding, then, in any such event, Beneficiary may, at its option, declare all indebtedness secured hereby immediately due and payable; and the Trustee, at the request of the Beneficiary, shall sell said property (either as a whole or in parcels, at his election, the provisions of Section 89-1-55, Mississippi Code of 1972, and Section 111, Mississippi Constitution of 1890 with respect to offering and selling real estate in parcels rather than as a whole, being hereby expressly waived) in an attempt to satisfy the indebtedness hereby secured after giving notice of the time, place, and terms of sale by publication in some newspaper published in the county in which said land is situated, or if no newspaper is then published in said county in a newspaper having general circulation therein, for three consecutive weeks preceding the date of sale, and by posting one notice at the courthouse of said county for said time.

In case the real estate herein described is situated in more than one county, or in more than one judicial district of a county or counties, a foreclosure sale of all of said real estate may be made in any one of the counties or judicial districts in which any part thereof is situated, after giving notice of the time, place, and terms of sale in the manner above described in each county and judicial district in which any part of said land lies.

In the event of foreclosure the proceeds of sale shall be applied (1) toward payment of the expense of executing this trust, including a reasonable Trustee's fee and a reasonable attorney's fee (both of which fees shall accrue immediately upon instructions being mailed or otherwise directed to the Trustee to foreclose), (2) toward liquidation of the indebtedness secured hereby, and (3) any balance shall be paid to the Grantor or persons entitled thereto. The purchaser at any such sale or sales shall be under no obligation to see to the proper application of the purchase money.

It is further stipulated and agreed that in case of any sale hereunder Grantor shall immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor shall become a tenant at sufferance of the purchaser, subject to an action for unlawful entry and detainer.

It is expressly agreed between the parties hereto, that in the event of foreclosure and sale, that the Beneficiary, hereunder, or its successors and assigns, may bid at any such sale or sales and may purchase the property secured hereunder if the high bidder therefor, as if Beneficiary were a stranger to this conveyance.

For purposes of giving any notice that may be required by the terms of this deed of trust, Grantor hereby stipulates and agrees that his/her/its mailing address is as shown below and Beneficiary may rely upon this stipulation until such time as Beneficiary has been advised in writing by Grantor of a change of address:

Glenn A. Adair
9373 Adair Lane, Hernando, MISSISSIPPI 38632 (601) 233-4062

Sharon A. Adair
9373 Adair Lane, Hernando, MISSISSIPPI 38632 No Phone Number Available

All riders, appendages, exhibits, erasures, corrections and interlineations, if any, have been made and approved before signing hereof.

WITNESS the signature of Grantor, this 5th day of August 1994.

Glenn A. Adair
Glenn A. Adair

Sharon A. Adair
Sharon A. Adair

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Page 4

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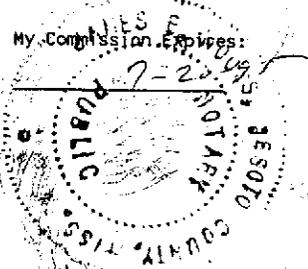
STATE OF MISSISSIPPI

COUNTY OF Desot.

Personally appeared before me, the undersigned authority in and for the said county and state, on this 5th day of August, 19 98, within my jurisdiction, the within named

Glenn A. Adair
who acknowledged that (he)(she) executed the above and foregoing instrument.

(SEAL)



James E. Woods
(Official Capacity)
Notary Public

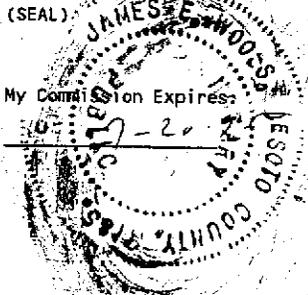
STATE OF MISSISSIPPI

COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the said county and state, on this 5th day of August, 19 98, within my jurisdiction, the within named

Sharon A. Adair
who acknowledged that (he)(she) executed the above and foregoing instrument.

(SEAL)



James E. Woods
(Official Capacity)
Notary Public

This instrument prepared by:

MARTHA BRIDGES FOR THE FARM CREDIT BANK OF TEXAS
P. O. BOX 15919, AUSTIN, TEXAS 78761-5919
(512) 465-0400

STATE OF MISSISSIPPI

CERTIFICATE OF CLERK

I hereby certify that this deed of trust was filed for record in my office at _____ o'clock _____ m. on the _____ day of _____, _____, and duly recorded on the _____ day of _____, _____, on page _____ of book _____ of the Land Mortgage Records in my office.

Witness my hand and official seal on this _____ day of _____, _____.

Chancery Clerk _____

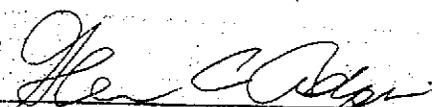
(SEAL)

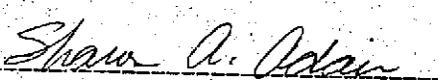
By _____ D.C.

Prepared by & return to:
Woods and Snyder
P. O. Box 456
Olive Branch, MS 38654
(601) 895-2998

"AS BUILT" BOUNDARY SURVEY OF A 90.5992, MORE OR LESS, ACRE TRACT OF LAND BEING LOCATED IN THE WEST HALF OF SECTION 22, TOWNSHIP 3 SOUTH, RANGE 6 WEST, DESOTO COUNTY, MISSISSIPPI.

Begin at a P.K. Nail in the present centerline of Josephine (Coryville) Road, said "P.K. Nail" being South 89 degrees 07 minutes 15 seconds West 659.88 feet and South 01 degrees 16 minutes 51 seconds West 794.60 feet from an "old axle" (found) at the accepted southeast corner of the northeast quarter of the northwest quarter of Section 22, Township 3 South, Range 6 West; thence northwestwardly with the present centerline of Josephine (Coryville) Road the following courses: North 62 degrees 22 minutes 26 seconds West 118.95 feet; North 61 degrees 14 minutes 05 seconds West 130.97 feet; North 52 degrees 37 minutes 33 seconds West 188.34 feet; North 53 degrees 51 minutes 53 seconds West 35.65 feet; North 45 degrees 48 minutes 28 seconds West 114.23 feet; North 46 degrees 03 minutes 12 seconds West 96.53 feet; North 52 degrees 36 minutes 23 seconds West 111.46 feet; North 54 degrees 53 minutes 47 seconds West 67.79 feet; North 57 degrees 58 minutes 05 seconds West 152.65 feet; North 54 degrees 15 minutes 11 seconds West 74.39 feet; North 48 degrees 23 minutes 47 seconds West 69.98 feet; thence North 43 degrees 53 minutes 22 seconds West 80.18 feet with said centerline to a "P.K. Nail" (set); thence North 90 degrees 00 minutes 00 seconds West 46.54 feet to an iron stake (found); thence continue North 90 degrees 00 minutes 00 seconds West 906.06 feet (total distance of 952.61 feet) to an iron stake (set) in the westerly line of Section 22; thence South 00 degrees 31 minutes 12 seconds West 2611.10 feet with said section line to an iron stake (set) in the accepted southerly line of the north half of the southwest quarter of said section, said iron stake being 35.66 feet northwardly from an iron stake (found); thence North 89 degrees 24 minutes 20 seconds East 1063.31 feet with the southerly line of the northerly half of said southwest quarter to an iron stake (found); thence North 00 degrees 47 minutes 27 seconds East 987.43 feet to an iron stake (found); thence North 88 degrees 55 minutes 31 seconds East 927.83 feet to an iron stake (found); thence North 00 degrees 47 minutes 35 seconds East 334.96 feet to an iron stake (found); thence North 88 degrees 58 minutes 39 seconds East 290.82 feet to an iron stake (found); thence continue North 88 degrees 58 minutes 39 seconds East 45.00 feet (total distance of 335.88 feet) to a "P.K. Nail" (found) in the present centerline of Josephine (Coryville) Road; thence northwestwardly with the present centerline of Josephine (Coryville) Road the following courses: North 31 degrees 54 minutes 39 seconds West 34.24 feet; North 24 degrees 01 minutes 57 seconds West 31.96 feet; North 19 degrees 24 minutes 20 seconds West 190.03 feet; North 16 degrees 41 minutes 04 seconds West 68.82 feet; North 49 degrees 24 minutes 06 seconds West 33.66 feet; North 47 degrees 11 minutes 19 seconds West 70.76 feet; North 56 degrees 33 minutes 08 seconds West 59.03 feet; thence North 63 degrees 07 minutes 10 seconds West 57.38 feet with said centerline to the point of beginning containing 90.5992, more or less, acres of land being subject to all codes, regulations and revisions, easements and right-of-ways of record.


Glenn A. Adair


Sharon A. Adair

August 5, 1994

(Date)

Name

INDEXING INSTRUCTION

The attached Document should be Indexed Under the Checked Quarter Quarter Sections

Section 22 Township 2 - S Range 6 - W

NW/4				NE/4				SW/4				SE/4			
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Section Township Range

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Section Township Range

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