

(CONSTRUCTION LOAN)
DEED OF TRUST
STATE OF MISSISSIPPI

This Instrument Prepared by
and Return To:
Bryan K. Smith
2900 One Commerce Square
Memphis, Tennessee 38103
(901)525-8721

THIS DEED OF TRUST ("Security Instrument") is made on . . . October 31, 1996

The Grantor is . . . CLYDE H. DIXON, JR. AND WIFE, JOYCE N. DIXON

..... ("Borrower"). The trustee is THOMAS F. BAKER, IV

. 165 Madison Avenue, Memphis, Tennessee 38103, whose address is

("Trustee"). The beneficiary is First Tennessee Bank, National Association

which is organized and existing under the laws of the United States of America

and whose address is 165 Madison Avenue, Memphis, Tennessee 38103

Borrower owes Lender the principal sum of SEVENTY SEVEN THOUSAND, TWO HUNDRED AND NO/100ths ("Lender").

Dollars (\$ 77,200.00).

This debt is evidenced by (list all instruments and agreements secured by this Security Instrument and the dates thereof):

. a Promissory Note and Construction Loan Agreement of even date herewith

Revolving line of credit agreement dated The Agreement provides for
obligatory advances, repayments and readvances subject to the dollar limit described below and subject to
the terms and conditions contained in the credit agreement.

Future Advances: The above debt is secured even though all or part of it may not yet be advanced. Future
advances are contemplated and will be secured to the same extent as if made on the date this Security
Instrument is executed.

The total unpaid balance secured by this Security Instrument at any one time shall not exceed a maximum
principal amount of

Dollars (\$), plus interest, plus any amounts disbursed under the terms of this
Security Instrument together with interest on the sums disbursed.

The above obligation is due and payable on if not paid earlier.

Variable Interest Rate: The interest rate on the obligation(s) secured by this Security Instrument may vary
according to the terms of the obligation.

A copy of the loan agreement containing the terms under which the interest rate may vary is attached
to this Security Instrument and made a part hereof.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the instrument(s) described
above, with interest, and all renewals, extensions and modifications; (b) any additional and future advances, with
interest, which Lender may make to Borrower; (c) the payment of all other sums, with interest, advanced to protect
the security of this Security Instrument; and (d) the performance of Borrower's covenants and agreements under this
Security Instrument and any instrument(s) evidencing Borrower's obligation(s).

For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following
described property located in DeSoto County:

Lot 74, Section "D", Olive Ridge Subdivision, in Section 26, Township 1 South,
Range 6 West, DeSoto County, Mississippi, as shown on plat of record in Plat
Book 51, Page 17, in the office of the Chancery Court of DeSoto County,
Mississippi.

THIS IS A CONSTRUCTION LOAN WHICH provides for obligatory future advances
subject to the terms of the Construction Loan Agreement executed by Borrower
on even date herewith.

STATE MS. - DESOTO CO. r2

Nov 6 11 53 AM '96 vj

BK 867 PG 686
W.E. DAVIS CH. CLK.

which has the address of N/A
[Street] [City]
Mississippi ("Property Address").
[Zip Code]

TOGETHER WITH all improvements now or hereafter erected on the property, and all easements, rights,
appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now
or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument.
All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right
to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower
warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances
of record.

1. Payments. Borrower agrees to make all payments on the secured debt when due. Unless Borrower and Lender agree otherwise, any payments Lender receives from Borrower, or for Borrower's benefit, will be applied as follows: First, to any amounts Borrower owes on the secured debt, exclusive of principal or interest; Second, to interest due; and Third, to principal. If partial prepayment of the debt occurs for any reason, it will not reduce or excuse any scheduled payment until the secured debt is paid in full.

2. Claims Against Title. Borrower will pay all taxes, assessments, liens, encumbrances and other charges attributable to the Property when due. Lender may require Borrower to provide copies of receipts evidencing these payments. Borrower will defend title to the Property against any claims which would impair the security interest created by this Security Instrument. Lender may require Borrower to assign any rights, claims or defenses which Borrower may have against parties who supply labor or materials to improve or maintain the Property.

3. Insurance. Borrower will keep the Property insured under terms acceptable to Lender at Borrower's expense and for Lender's benefit. All insurance policies shall include a standard mortgage clause in favor of Lender. Lender will be named as loss payee or as the insured on any such insurance policy. Any insurance proceeds may be applied, within Lender's discretion, to either the restoration or repair of the damaged Property or to the secured debt. Any application of the proceeds to the principal shall not extend or postpone the due date of subsequent payments due, or change the amount of those payments. Borrower will give Lender prompt notice of any loss or damage to the Property. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval, which shall not be unreasonably withheld.

If Lender requires mortgage insurance, Borrower agrees to maintain such insurance for as long as Lender requires.

4. Property. Borrower will keep the Property in good condition and make all repairs reasonably necessary. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned Property.

5. Expenses. Borrower agrees to pay all of Lender's expenses, including reasonable attorney's fees, if Borrower breaks any covenants in this Security Instrument or in any obligation secured by this Security Instrument. Borrower will pay these amounts to Lender as provided in Paragraph 9 of this Security Instrument. If there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

6. Leaseholds, Condominiums, Planned Unit Developments. Borrower agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing. If this Security Instrument is on a unit in a condominium or a planned unit development, Borrower will perform all of Borrower's duties under the covenants, by-laws or regulations of the condominium or planned unit development.

7. Condemnation. Borrower assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds will be applied as provided in Paragraph 1. This assignment is subject to the terms of any prior security agreement.

8. Assignment of Rents and Profits. Borrower assigns to Lender all rents and revenues of the Property. Unless Borrower and Lender have agreed otherwise in writing, Borrower may collect and retain the rents so long as Borrower is not in default. If Borrower defaults, Lender, Lender's agent or a court appointed receiver may take possession of and manage the Property and collect rents, including those past due. Any rents Lender collects shall be applied first to the costs of managing the Property, including court costs, attorneys' fees, commissions to rental agents and all other necessary and related expenses. Any remaining sums will be applied toward payment of the secured debt as provided in Paragraph 1.

9. Authority of Lender to Perform for Borrower. If Borrower fails to perform any of Borrower's duties under this Security Instrument, Lender may perform those duties or cause them to be performed. Lender may sign Borrower's name or pay any sums necessary to secure performance. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may do whatever is necessary to protect Lender's security interest in the Property, including completion of the construction. Lender's failure to perform for Borrower will not preclude Lender from exercising any of its other rights under the law or this Security Instrument. Any amounts paid by Lender to protect Lender's security interest will be secured by this Security Instrument. These sums will be due on demand and will accrue interest at the rate in effect on the secured debt from the date of the payment until paid in full.

10. Default and Acceleration. If Borrower fails to make any payment when due or breaks any covenants under this Security Instrument or any obligation secured by this Security Instrument, Lender may accelerate the maturity of the secured debt and demand immediate payment and may invoke the power of sale and any other remedies permitted by applicable law.

11. Power of Sale. If Lender invokes the power of sale, Trustee shall, at the request of Lender, sell the Property, to satisfy the indebtedness at public outcry to the highest bidder for cash. Sale of the Property shall be advertised for three consecutive weeks preceding the sale in a newspaper published in the county where the Property is situated, or if none is so published, then in some newspaper having a general circulation therein, and by posting a notice for the same time at the courthouse of the same county. The notice and advertisement shall disclose the name(s) of the original debtor(s) in this Security Instrument. Borrower waives the provisions of Section 89-1-55 of the Mississippi Code of 1972 as amended, if any, as far as this section restricts the right of Trustee to offer at sale more than 160 acres at a time, and Trustee may offer the Property herein conveyed as a whole, regardless of how it is described. If the Property is situated in two or more counties, or in two judicial districts of the same county, Trustee shall have full power to select in which county, or judicial district, the sale of the Property is to be made, newspaper advertisement published and notice of sale posted, and Trustee's selection shall be binding upon Borrower and Lender. Lender shall have the same right to purchase the Property at the foreclosure sale as would a purchaser who is not a party to this Security Instrument. Trustee shall apply the proceeds of the sale in the following order: (1) to all reasonable costs of the sale including, but not limited to, reasonable Trustees and Attorney's Fees; (2) to all sums secured by this Security Instrument; and (3) any excess to the person or persons legally entitled to it.

12. No Waiver. If circumstances occur which would permit Lender to require immediate payment in full but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

13. Prior Security Interests. Unless Borrower first obtains Lender's written consent, Borrower will not make or permit any changes to any prior security interests. Borrower will perform all of Borrower's obligations under any prior mortgage, deed of trust or other security agreement, including Borrower's covenants to make payments when due.

14. Inspection. Lender may enter the Property to inspect it if Lender gives Borrower notice beforehand. The notice must state a reasonable purpose for Lender's inspection.

15. Joint and Several Liability; Co-signers; Successors and Assigns Bound. All duties under this Security Instrument are joint and several. Any Borrower who co-signs this Security Instrument, but does not co-sign the underlying debt instrument(s), does so only to grant and convey that Borrower's interest in the Property to the Trustee under the terms of this Security Instrument. In addition, such a Borrower agrees that the Lender and any other Borrower under this Security Instrument may extend, modify or make any other changes in the terms of this Security Instrument or the secured debt without that Borrower's consent and without releasing that Borrower from the terms of this Security Instrument.

The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower.

16. Notices. Unless otherwise required by law, any notice to Borrower shall be given by delivering it or by mailing the notice by certified mail addressed to Borrower at the Property address or any other address that Borrower provides to Lender. Any notice to Lender shall be by mailing the notice by certified mail to Lender's address as designated on the front of this Security Instrument or to any other address that Lender provides to Borrower.

Any notice given in the manner stated above shall be deemed to have been given by Borrower or Lender.

17. Transfer of the Property or a Beneficial Interest in the Borrower. If all or any part of the Property or any interest in it is sold or transferred without Lender's prior written consent, Lender may demand immediate payment of the secured debt. Lender may also demand immediate payment if the Borrower is not a natural person and a beneficial interest in the Borrower is sold or transferred. However, Lender may not demand payment in the above situations if it is prohibited by federal law as of the date of this Security Instrument.

18. Release. When Borrower has paid the secured debt and Lender has no further obligation to make advances under the instrument(s) or agreement(s) secured by this Security Instrument, Lender or Trustee shall, at Borrower's request, acknowledge satisfaction of this Security Instrument in the manner provided by applicable law without cost to Borrower. Borrower agrees to pay all costs to record such satisfaction.

19. Waiver. If the debt owed under the terms of the agreement(s) or instrument(s) secured by this Security Instrument should be paid in full, Borrower agrees that Lender's security interest under this Security Instrument shall not be automatically extinguished and Borrower waives any rights Borrower might claim under Section 89-1-49 of the Mississippi Code.

20. Substitute Trustee. Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee by an instrument recorded in the county in which this Security Instrument is recorded. The successor trustee, without conveyance of the Property, shall succeed to all the title, powers and duties conferred upon the Trustee by this Security Instrument and by applicable law.

21. Severability. Any provision or clause of this Security Instrument or any agreement evidencing the secured debt which conflicts with applicable law will not be effective unless that law expressly or impliedly permits variations by agreement. If any provision or clause in this Security Instrument or any agreement evidencing the secured debt cannot be enforced according to its terms, this fact will not affect the enforceability of the balance of this Security Instrument and the agreement evidencing the secured debt.

22. Obligations Defined. Borrower's "Obligations" which are secured by this Security Instrument are defined as and include the following:

- A. Any promissory note, instrument or agreement executed by Borrower which evidences a loan by Lender to Borrower, and all extensions, renewals, modifications or substitutions thereof;
- B. All additional sums advanced and expenses incurred by Lender for the purpose of insuring, preserving or otherwise protecting the Property and its value and any other sums advanced and expenses incurred by Lender under the terms of this Security Instrument, plus interest at the same rate provided for in the instrument(s) which evidence the Loan.
- C. All other obligations Borrower owes to Lender which now exist or may later arise, to the extent the taking of the Property as security for the obligation is not prohibited by law.
- D. Borrower's performance under the terms of any instrument which evidence a loan by Lender to Borrower and any security instrument which secures, guaranties or otherwise relates to the loan.

However, this Security Instrument will not secure another debt:

- A. If this Security Instrument is in Borrower's principal dwelling and Lender fails to provide (to all persons entitled) any notice of right of rescission required by law for the other debt;
- B. If Lender fails to make any disclosure of the existence of this Security Instrument required by law for the other debt.

23. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements in this Security Instrument as if the rider(s) were a part of this instrument. [Check applicable box(es)].

- Planned Unit Development Rider
- Condominium Rider
- Other

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Grantor: Clyde H. Dixon, Jr. *Clyde H. Dixon Jr.* Borrower
 Joyce N. Dixon *Joyce N. Dixon* Borrower
 1115 Stanton Hall Road
 Collierville, TN 38017
 (901)853-2552 (home & work)

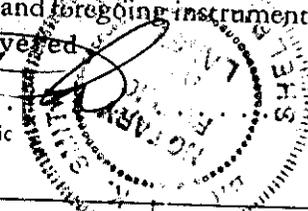
Grantee: First Tennessee Bank, N.A. Borrower
 165 Madison Avenue Borrower
 Memphis, TN 38103
 (901)523-4444 Borrower

STATE OF MISSISSIPPI
COUNTY OF . DESOTO

Personally appeared before me, the undersigned authority in and for the said County and State, on this 31st day of . . . October, 1996 . . . , within my jurisdiction, the within named . . . Clyde H. Dixon, Jr. and Joyce N. Dixon . . . , who acknowledged that . . . t he y . . . executed the above and foregoing instrument.

My commission expires:

[Signature] and delivered . . .
 Notary Public



MY COMMISSION EXPIRES AUG, 8, 2000

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Shamason (env)