FGULF05232001080726A

Prepared By:

MERCHANTS & FARMERS BANK BYAHLIA **Bank**

Attn: J. WALKER HURDLE, Branch Manager

P.O. BOX 158 523 HWY 309 SOUTH

BYHALIA, **MS** 38611

(662)-838-3370

BK 1332 PG 0689

The real property described herein is situated in the NORTHWEST **quarter of Section** 16, **Township** 2 SOUTH, **Range** 5 WEST **of the** _____ **Judicial District of** Desoto **County, Mississippi.**

LAND DEED OF TRUST

THIS INDENTURE, made and entered into this day by and between

CHARLES W. TAYLOR

whose address is 13887 HWY 178 W. BYHALIA, MS 38611

Desoto County MS as Grantor (herein designated as "Debtor"), and

WILLIAM F. SCHNELLER

as Trustee, and MERCHANTS & FARMERS BANK BYAHLIA

of BYHALIA, Mississippi as Beneficiary

(herein designated as "Secured Party"), WITNESSETH:

WHEREAS, CHARLES W. TAYLOR is indebted to Secured Party in the

full sum of Forty Thousand and 00/100

(Dollars ($ 40,000.00) evidenced by ONE promissory note of even date herewith in favor of Secured Party, bearing interest from DATE at the rate specified in the note, providing for payment of attorney's fees for collection if not paid according to terms thereof and being due and payable as set forth below:

Repayment Provisions:
ON DEMAND BUT IF NO DEMAND IS MADE:

Principal and interest are repayable in 59 equal installment payments consisting of principal and interest, amortized over 84 payment(s), in the amount of $636.42 each, commencing on July 05, 2001 and continuing monthly thereafter, and one (1) final installment payment consisting of the full amount of the principal and all accrued interest remaining due and payable on June 05, 2006.

Other:

WHEREAS, Debtor desires to secure prompt payment of (a) the indebtedness described above according to its terms and any extensions, modifications or renewals thereof, (b) any additional and future advances with interest thereon which Secured Party may make to Debtor as provided in Paragraph 1, (c) any other indebtedness which Debtor may now or hereafter owe to Secured Party as provided in Paragraph 2 and (d) any advances with interest which Secured Party may make to protect the property herein conveyed as provided in Paragraphs 4, 5, 6 and 7 (all being herein referred to as the "Indebtedness").

NOW THEREFORE, In consideration of the existing and future Indebtedness herein recited, Debtor hereby conveys and warrants unto Trustee and the land described below situated in the City of BYHALIA County of Desoto State of Mississippi:

SEE EXHIBIT A

STATE MS - DESOTO CO.
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together with all improvements and appurtenances now or hereafter erected on, and all fixtures of any and every description now or hereafter attached to, said land (all being herein referred to as the "Property"). Notwithstanding any provision in this agreement or in any other agreement with Secured Party, the Secured Party shall not have a nonpossessory security interest in and its Collateral or Property shall not include any household goods (as defined in Federal Reserve Board Regulation AA Subpart B), unless the household goods are identified in a security agreement and are acquired as a result of a purchase money obligation. Such household goods shall only secure said purchase money obligation (including any refinancing thereof).

THIS CONVEYANCE, HOWEVER, IS IN TRUST to secure payment of all existing and future indebtedness due by Debtor to Secured Party under the provisions of this Deed of Trust. If Debtor shall pay said indebtedness promptly when due and shall perform all covenants made by Debtor, then this conveyance shall be void and of no effect. If Debtor shall be in default as provided in Paragraph 10, then, in that event, the entire indebtedness, together with all interest accrued thereon, shall, at the option of Secured Party, be and become at once due and payable without notice to Debtor, and Trustee shall, at the request of Secured Party, sell the Property conveyed, or a sufficiency thereof, 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 names of the original debtors in this Deed of Trust. Debtors waive 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 Debtor and Secured Party. Should Secured Party be a corporation or any unincorporated association, then any officer thereof may declare Debtor to be in default as provided in Paragraph 10 and request Trustee to sell the Property. Secured Party shall have the same right to purchase the property at the foreclosure sale as would a purchaser who is not a party to this Deed of Trust.

From the Proceeds of the sale Trustee shall first pay all costs of the sale including reasonable compensation to Trustee; then the Indebtedness due Secured Party by Debtor, including accrued interest and attorney's fees due for collection of the debt; and then, lastly, any balance remaining to Debtor.

IT IS AGREED that this conveyance is made subject to the covenants, stipulations and conditions set forth below which shall be binding upon all parties hereto.

1. This Deed of Trust shall also secure all future and additional advances which Secured Party may make to Debtor from time to time upon the security herein conveyed. Such advances shall be optional with Secured Party and shall be on such terms as to amount, maturity and rate of interest as may be mutually agreeable to both Debtor and Secured Party. Any such advance may be made to any one of the Debtors should there be more than one, and if so made, shall be secured by this Deed of Trust to the same extent as if made to all Debtors.

2. This Deed of Trust shall also secure any and all other Indebtedness of Debtor due to Secured Party with interest thereon as specified, or of any of the Debtors should there be more than one, whether direct or contingent, primary or secondary, sole, joint or several, now existing or hereafter rising at any time before cancellation of this Deed of Trust. Such Indebtedness may be evidenced by note, open account, overdraft, endorsement, guaranty or otherwise.

3. Notwithstanding the foregoing, if any disclosure required by 12 C.F.R. 226.5b, 226.15, 226.19(b) or 226.23, or 24 C.F.R. 3500.6, 3500.7 or 3500.10, has not been timely provided in connection with one or more loans, credit extensions or obligations of GRANTOR, or any other person whose obligations are secured hereby, then the Security Interest in the Property granted hereby shall not secure the obligation or obligations for which the required disclosure was not given.

4. Debtor shall keep all improvements on the land herein conveyed insured against fire, all hazards included within the term "extended coverage", flood in areas designated by the U.S. Department of Housing and Urban Development as being subject to overflow and such other hazards as Secured Party may reasonably require in such amounts as Debtor may determine but not for less than the Indebtedness secured by this Deed of Trust. All policies shall be written by reliable insurance companies acceptable to Secured Party, shall include standard loss payable clauses in favor of Secured Party and Shall be delivered to Secured Party. Debtor shall promptly pay when due all premiums charged for such insurance, and shall furnish Secured Party the premium receipts for inspection. Upon Debtor's failure to pay the premiums, Secured Party shall have the right, but not the obligation, to pay such premiums, and/or the right to hold the Debtor in default and exercise its rights as a secured creditor and may make use of any other remedy available under this Deed of Trust or any other agreements with the Debtor, including, but not limited to, foreclosure of any collateral which secures the undersigned's loan. In the event of a loss covered by the insurance in force, Debtor shall promptly notify Secured Party who may make proof of loss if timely proof is not made by Debtor. All loss payments shall be made directly to the Secured Party as loss payee who may either apply the proceeds to the repair or restoration of the damaged improvements or to the Indebtedness of Debtor, or release such proceeds in whole or in part to Debtor.

5. Debtor shall pay all taxes and assessments, general or special, levied against the Property or upon the interest of Trustee or Secured Party therein, during the term of this Deed of Trust before such taxes or assessments become delinquent, and shall furnish Secured Party the tax receipts for inspection. Should Debtor fail to pay all taxes and assessments when due, Secured Party shall have the right, but not the obligation, to make these payments.

6. Debtor shall keep the Property in good repair and shall not permit or commit waste, impairment or deterioration thereof. Debtor shall use the Property for lawful purposes only. Secured Party may make or arrange to be made entries upon and inspections of the Property after first giving Debtor notice prior to any inspection specifying a just cause related to Secured party's interest in the Property. Secured Party shall have the right, but not the obligation, to cause needed repairs to be made to the Property after first affording Debtor a reasonable opportunity to make the repairs.

Should the purpose of the primary indebtedness for which this Deed of Trust is given as security be for construction of improvements on the land herein conveyed, Secured Party shall have the right to make or arrange to be made entries upon the Property and inspections of the construction in progress. Should Secured Party determine that Debtor is failing to perform such construction in a timely and satisfactory manner, Secured Party shall have the right, but not the obligation, to take charge of and proceed with the construction at the expense of Debtor after first affording Debtor a reasonable opportunity to continue the construction in a manner agreeable to Secured Party.

7. Any sums advanced by Secured Party for insurance, taxes, repairs or construction as provided in Paragraphs 4, 5 and 6 shall be secured by this Deed of Trust as advances made to protect the Property and shall be payable by Debtor to Secured Party, with interest at the rate specified in the note representing the primary indebtedness, within thirty days following written demand for payment sent by Secured Party to Debtor by certified mail. Receipts for insurance premiums, taxes and repair or construction costs for which Secured Party has made payment shall serve as conclusive evidence thereof.

EXHIBIT A

Beginning at the Northwest corner of Section 16, Township 2 South, Range 5 West, DeSoto County, Mississippi; thence South 5°44'48" East along the west line of said Section 16, a distance of 1305.27 ft. to an old 1" iron pipe; thence North 84°15'02" East along the South line of the North Half of the Northwest Quarter of Section 16, a distance of 198.0 ft. to a point in the Coldwater River, said point being the true point of beginning of the hereafter described 24.44 acre tract; thence South 49°22'09" East (Call: South 49°15'44" East), 218.07 ft. to a point in the original centerline of the river and the centerline of Old Pigeon Roost Road; thence South 57°24'25" East, 381.99 ft. (Call: South 57°19'47" East, 382.07 ft.) to an old 3/4" CT pipe found 7' West of the present centerline of Old Pigeon Roost Road; thence South 26°44'55" East, 180.79 ft. (Call: South 26°34'46" East, 180.81 ft.) to an old 5/8" re-bar 6' West of the present centerline of Old Pigeon Roost Road; thence South 26°41'11" East, 483.08 ft. (Call: South 26°34'46" East, 483.19 ft.) to an old 3/4" CT pipe found 4' west of the present centerline of Old Pigeon Roost Road; thence South 26°49'46" East, 272.61 ft. (Call: South 26°56'01" East, 272.66 ft.) to an old 3/4" iron pin, 4' west of the present centerline of Old Pigeon Roost Road; thence North 84°44'32" East (Call: North 84°50'55" East) along the north line of Lot 1, Hardin Subdivision (Plat Book 20, Pages 33 & 34), a distance of 190.34 ft. to a 3/8" re-bar (set) at the west right-of-way of Pigeon Roost Road (Right-of-way Deed Book 249, Page 246); thence northeastwardly along said west right-of-way, the following courses: North 22°29'20" East, 570.54 ft. to an angle point; thence North 23°49'52" East, 571.69 ft. to a point of curve; thence along a curve to the right, having a radius of 1893.03 ft., a central angle of 10°06'31", a length of 333.98 ft. to a 3/8" re-bar (set); thence leaving said right-of-way, South 84°07'51" West along the south line of the Eulyse M. Smith tract (Deed Book 169, Page 279), 1718.05 ft. to the point of beginning, containing 1,064,715.33 square ft. or 24.44 acres, and being situated in the Northwest Quarter of Section 16, Township 2 South, Range 5 West, DeSoto County, Mississippi.

SIGN FOR IDENIFICATION: Charles W. Taylor

DATE: 5-23-01

8. As additional security Debtor hereby assigns to Secured Party all rents accruing on the Property. Debtor shall have the right to collect and retain any rents as long as Debtor is not in default as provided in Paragraph 10. In the event of default, Secured Party in person, by an agent or by a judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and collect the rents. All rents so collected shall be applied first to the costs of managing the Property and collecting the rents, including fees for a receiver and an attorney, commissions to rental agents, repairs and other necessary related expenses and then to payments on the indebtedness.

9. If all or any part of the Property, or an interest therein, is sold or transferred by Debtor, excluding (a) the creation of a lien subordinate to this Deed of Trust, (b) a transfer by devise, by descent or by operation of law upon the death of a joint owner or (c) the grant of a leasehold interest of three years or less not containing an option to purchase, Secured Party may declare all the Indebtedness to be immediately due and payable. Secured party shall be deemed to have waived such option to accelerate if, prior or subsequent to the sale or transfer, Secured Party and Debtor's successor in interest reach agreement in writing that the credit of such successor in interest is satisfactory to Secured Party and that the successor in interest will assume the Indebtedness so as to become personally liable for the payment thereof. Upon Debtor's successor in interest executing a written assumption agreement accepted in writing by Secured Party, Secured Party shall release Debtor from all obligations under the Deed of Trust and the Indebtedness.

If the conditions resulting in a waiver of the option to accelerate are not satisfied, and if Secured Party elects not to exercise such option, then any extension or modification of the terms of repayment from time to time by Secured Party shall not operate to release Debtor or Debtor's successor in interest from any liability imposed by this Deed of Trust or by the Indebtedness.

If Secured Party elects to exercise the option to accelerate, Secured Party shall send Debtor notice of acceleration by certified mail. Such notice shall provide a period of thirty days from the date of mailing within which Debtor may pay the indebtedness in full. If Debtor fails to pay such Indebtedness prior to the expiration of thirty days, Secured Party may, without further notice to Debtor, invoke any remedies set forth in this Deed of Trust.

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10. Debtor shall be in default under the provisions of this Deed of Trust if Debtor (a) shall fail to comply with any of Debtor's covenants or obligations contained herein, (b) shall fail to pay any of the Indebtedness secured hereby, or any installment thereof or interest thereon, as such Indebtedness, installment or interest shall be due by contractual agreement or by acceleration, (c) shall become bankrupt or insolvent or be placed in receivership, (d) shall, if a corporation, a partnership or an unincorporated association, be dissolved voluntarily or involuntarily, or (e) if Secured Party in good faith deems itself insecure and its prospect of repayment seriously impaired.

11. Secured Party may at any time, without giving formal notice to the original or any successor Trustee, or to Debtor, and without regard to the willingness or inability of any such Trustee to execute this trust, appoint another person or succession of persons to act as Trustee, and such appointee in the execution of this trust shall have all the powers vested in and obligations imposed upon Trustee. Should Secured Party be a corporation or an unincorporated association, then any officer thereof may make such appointment.

12. Each privilege, option or remedy provided in this Deed of Trust to Secured Party is distinct from every other privilege, option or remedy contained herein or afforded by law or equity, and may be exercised independently, concurrently, cumulatively or successively by Secured Party or by any other owner or holder of the Indebtedness. Forbearance by Secured Party in exercising any privilege, option or remedy after the right to do so has accrued shall not constitute a waiver of Secured Party's right to exercise such privilege, option or remedy in event of any subsequent accrual.

13. The words "Debtor" or "Secured Party" shall each embrace one individual, two or more individuals, a corporation, a partnership or an unincorporated association, depending on the recital herein of the parties to this Deed of Trust. The covenants herein contained shall bind, and the benefits herein provided shall inure to, the respective legal or personal representatives, successors or assigns of the parties hereto subject to the provisions of Paragraph 9. If there be more than one Debtor, then Debtor's obligation shall be joint and several. Whenever in this Deed of Trust the context so requires, the singular shall include the plural and the plural the singular. Notices required herein from Secured Party to Debtor shall be sent to the address of Debtor shown in this Deed of Trust.

14. The Debtor covenants and agrees that the Debtor (a) has not stored and shall not store (except in compliance with all Federal, state and local statutes, laws, ordinances, rules, regulations and common law now or hereafter in effect, and all amendments thereto, relating to the protection of the health of living organisms or the environment (collectively, "Environmental Requirements")) and has not disposed and shall not dispose of any Hazardous Substances (as hereinafter defined) on the Property, (b) has not transported or arranged for the transportation of and shall not transport or arrange for the transportation of any Hazardous Substances, and (c) has not suffered or permitted, and shall not suffer or permit, any owner, lessee, tenant, invitee, occupant or operator of the Property or any other person to do any of the foregoing.

The Debtor covenants and agrees to maintain the Property at all times (a) free of any Hazardous Substance (except in compliance with all Environmental Requirements) and (b) in compliance with all Environmental Requirements.

The Debtor agrees promptly; (a) to notify the Secured Party in writing of any change in the nature or extent of Hazardous Substances maintained on or with respect to the Property, (b) to transmit to the Secured Party copies of any citations, orders, notices or other material governmental communications received with respect to Hazardous Materials upon, about or beneath the Property or the violation or breach of any Environmental Requirement, (c) to observe and comply with any and all Environmental Requirements relating to the use, maintenance and disposal of Hazardous Substances and all orders or directives from any official, court or agency of competent jurisdiction relating to the use, maintenance, treatment, storage, transportation, generation and disposal of Hazardous Substances, (d) to pay, perform or otherwise satisfy any fine, charge, penalty, fee, damage, order, judgment, decree or imposition related thereto which, if unpaid, would constitute a lien on the Property, unless (i) the validity thereof shall be contested diligently and in good faith by appropriate proceedings and with counsel reasonably satisfactory to the Secured Party and (ii) so long as the Debtor shall at all times have deposited with the Secured Party, or posted a bond satisfactory to the Secured Party in a sum equal to the amount necessary (in the reasonable discretion of the Secured Party) to comply with such order or directive (including, but not limited to, the amount of any fine, penalty, interest or cost that may become due thereon by reason of or during such contest); provided, however, that payment in full with respect to such fine, charge, penalty, fee, damage, order, judgment, decree or imposition shall be made not less than twenty (20) days before the first date upon which the Property, or any portion thereof, shall be seized and sold in satisfaction thereof, and (e) to take all appropriate response actions, including any removal or remedial actions, in the event of a release, emission, discharge or disposal of any Hazardous Substances in, on, under or from the Property necessary in order for the Property to be or remain in compliance with all Environmental Requirements, (i) upon the request of the Secured Party, to permit the Secured Party, including its officers, agents, employees, contractors and representatives, to enter and inspect the Property for purposes of conducting an environmental assessment, (ii) upon the request of the Secured Party, and at the Debtor's expense, to cause to be prepared for the Property such site assessment reports, including, without limitation, engineering studies, historical reviews and testing, as may be reasonably requested from time to time by the Secured Party.

In addition to all other indemnifications contained herein, the Debtor agrees to indemnify, defend and reimburse and does hereby hold harmless the Secured Party, and its officers, directors, agents, shareholders, employees, contractors, representatives, successors and assigns, from and against any and all claims, judgments, damages, losses, penalties, fines, liabilities, encumbrances, liens, costs and expenses of investigation and defense of any claim, of whatever kind or nature, including, without limitation, reasonable attorney's fees and consultants' fees, arising from the presence of Hazardous Substances upon, about or beneath the Property or migrating to and from the Property or arising in any manner whatsoever out of the violation of any Environmental Requirements pertaining to the Property and the activities thereon, or arising from the breach of any covenant or representation of the Debtor contained in this Deed of Trust. The Debtor's obligations under this Section shall survive any foreclosure on the Property or repayment or extinguishment of the indebtedness secured hereby.

The Provisions of this Deed of Trust are in addition to and supplement any other representations, warranties, covenants and other provisions contained in any other loan documents that Debtor has executed for the benefit of Secured Party.

For purposes of this Deed of Trust, "Hazardous Substances" shall mean any substance

(a) The presence of which requires investigation, removal, remediation or any form of clean-up under any Federal, state or local statute regulation, ordinance, order, action, policy or common law now or hereafter in effect, or any amendments thereto; or

(b) Which is or becomes defined as a "hazardous waste," "hazardous substance," "pollutant" or "contaminant" under any Federal, state or local statute, regulation, rule or ordinance or amendments thereto, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.); or

(c) Which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is regulated presently or in the future by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the state where the Property is located or any political subdivision thereof; or

(d) The presence of which on the Property causes or threatens to cause a nuisance upon the Property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Property; or

(e) The presence of which on adjacent properties could constitute a trespass by the Debtor; or

(f) Which contains, without limitation, gasoline, diesel fuel or the constituents thereof, or other petroleum hydrocarbons; or

(g) Which contains, without limitation, polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or

(h) Which contains, without limitation, radon gas; or

(i) Which contains, without limitation, radioactive materials or isotopes.

IN WITNESS WHEREOF, Debtor has executed this Deed of Trust on the 23 rd day of May 2001.

CORPORATE, PARTNERSHIP OR ASSOCIATION SIGNATURE

_____
Name of Debtor

_____
By

_____
Attest:

(Seal)

INDIVIDUAL SIGNATURES

Charles W. Taylor
CHARLES W. TAYLOR

BK 1332 PG 0693

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Mississippi

COUNTY OF Marshall

Personally appeared before me, the undersigned authority in and for the said county and state, on this 23 rd day of May, 2001, within my jurisdiction, the within named CHARLES W. TAYLOR, who acknowledged that (he) (she) (they) executed the above and foregoing instrument.

James Walker Huddle
NOTARY PUBLIC

My commission expires:
5/10/2004
(Affix official seal, if applicable)

CORPORATE, PARTNERSHIP OR ASSOCIATION ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the said county and state, on this _____ day of _____, _____, within my jurisdiction, the within named _____, _____, who acknowledged that (he) (she) (they) is _____ (Title) of _____, a _____ _____, and that for and on behalf of the said _____, and as its act and deed (he) (she) (they) executed the above and foregoing instrument after first having been duly authorized by said _____ so to do.

_____
NOTARY PUBLIC

My commission expires:

_____
(Affix official seal, if applicable)

MERCHANTS & FARMERS BANK
ASHLAND • HOLLY SPRINGS • HICKORY FLAT • BYHALIA
P.O. DRAWER 700
HOLLY SPRINGS, MISSISSIPPI 38635