

10/25/06 2:06:50
BK 2,591 PG 777
DESOTO COUNTY, MS
W.E. DAVIS, CH CLERK

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DESOTO COUNTY, MS
W.E. DAVIS, CH CLERK
P.O. Box 270
Hernando, MS 38612
662-429-5277

MS Guide 1780-5
(5/98)

**REAL ESTATE DEED OF TRUST FOR MISSISSIPPI
(INSURED ASSOCIATION LOANS)**

THIS INDENTURE, made and entered into this day, October 24, 2006 by and between the undersigned

DAYS WATER ASSOCIATION, INC.
a corporation duly created and existing by virtue of the laws of Mississippi, and having its principal place of business at
P O BOX 501, Nesbit 38651, DeSoto County, Mississippi, grantor, herein called

"Borrower," and JOHNNY M. SHELL, Area Director
as trustee, herein called "Trustee," and the United States of America, acting through Rural Development (formerly Farmers Home Administration),
United States Department of Agriculture, beneficiary, herein called the "Government," WITNESSETH THAT:

WHEREAS, Borrower is justly indebted to the Government as evidenced by one or more certain promissory note(s) or assumption agreement(s), herein called "note" (if more than one note is described below, the word "note" as used herein shall be construed as referring to each note singly or all notes collectively, as the context may require), said note being executed by Borrower, being payable to the order of the Government in installments as specified therein, authorizing acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and being further described as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
October 24, 2006	\$435,000.00	4.375%	October 24, 2046
October 24, 2006	\$750,000.00	4.250%	October 24, 2046
November 30, 1995	\$400,000.00	5.375%	November 30, 2035
December 3, 1980	\$106,800.00	5.000%	December 3, 2020

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note and insure the payment thereof pursuant to the Consolidated Farmers Home Administration Act of 1961;

And when payment of the note is insured by the Government, the Government may retain the right to a specified portion of the payments on the note;

And a condition of the insurance of payment of the note will be that the holder will forego his rights and remedies against Borrower and any others in connection with the loan evidenced thereby, as well as any benefit of this instrument, and will accept the benefits of such insurance in lieu thereof, and upon the Government's request will assign the note to the Government;

And it is the purpose and intention of this instrument that, among other things, at all times when the note is held by the Government, or in the event the Government should assign this instrument without insurance of the note, this instrument shall secure payment of the note; but when the note is held by an insured holder this instrument shall not secure payment of the note or attach to the debt evidenced thereby, but as to the note and such debt shall constitute an indemnity mortgage to secure the Government against loss under its insurance contract by reason of any default by Borrower.

NOW, THEREFORE, in consideration of said loan Borrower does hereby grant, bargain, sell, convey, and assign unto Trustee with general warranty the following described property situated in the State of Mississippi, County of DESOTO:

(a) SEE EXHIBIT A FOR LEGAL DESCRIPTION

MS Guide 1780-5 (5/98)

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2

(b) The rural water supply system of the Borrower, constructed or to be constructed, to obtain water from wells located on PARCEL (a) as above described, and to furnish water to rural users in the general area, including all storage tanks, pipelines, pumps, motors, water treating equipment, valves, controls and meters, and all rights of way, easements, leases, permits, licenses or franchises, now owned or hereafter acquired, which are or will be appurtenant to or used in connection with said rural water supply system, and all extensions, enlargements or additions which may hereafter be made to said system,

together with all income, revenues and profits therefrom, all improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance or condemnation of any part thereof or interest therein, being hereinafter called the "property;"

IN TRUST, NEVERTHELESS, (a) at all times when the note is held by the Government, or in the event the Government should assign this instrument without insurance of the payment of the note, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, including any provision for the payment of an insurance or other charge, (b) at all times when the note is held by an insured holder, to secure performance of Borrower's agreement herein to indemnify and save harmless the Government against loss under its insurance contract by reason of any default by Borrower, and (c) in any event and at all times to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement.

BORROWER for itself, its successors and assigns COVENANTS AND AGREES as follows:

1. That all of the property hereinabove described, whether now owned or hereafter acquired, shall be construed to be real property.
2. To pay promptly when due any indebtedness to the Government hereby secured and to indemnify and save harmless the Government against any loss under its insurance of payment of the note by reason of any default by Borrower. At all times when the note is held by an insured holder, Borrower shall continue to make payments on the note to the Government, as collection agent for the holder.
3. To pay to the Government such fees and other charges as may now or hereafter be required by regulations of the Rural Utilities Service, United States Department of Agriculture.
4. At all times when the note is held by an insured holder, any amount due and unpaid under the terms of the note to which the holder is entitled may be paid by the Government to the holder of the note for the account of Borrower. (Any amount due and unpaid under the terms of the note, whether it is held by the Government or by an insured holder may be credited by the Government on the note and thereupon shall constitute an advance by the Government for the account of Borrower.) Any advance by the Government as described in this paragraph shall bear interest at the note rate from the date on which the amount of the advance was due to the date of payment to the Government, provided that Borrower shall be required to pay interest on only the principal portion of such advance unless otherwise provided in the regulations of the Rural Utilities Service, United States Department of Agriculture.
5. Whether or not the note is insured by the Government, the Government may at any time pay any other amounts required herein to be paid by Borrower and not paid by it when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the note rate until paid to the Government.
6. All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of its covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.
7. To use the loan evidenced by the note solely for purposes authorized by the Government.
8. To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property and promptly deliver to the Government without demand receipts evidencing such payments.
9. To pay from its own funds the amount of an excess installation costs resulting from failure to obtain adequate land, rights of way, or subordinations.
10. To keep the property insured as required by and under insurance policies approved by, delivered to, and retained by the Government.
11. To maintain said property in proper repair and good condition; to commit or suffer no waste or exhaustion of said property; and not to remove, abandon or demolish any building or other improvement on said property, without the consent of Government; and promptly to effect such repairs to said property as Government may from time to time require.

12. To perform, comply with and abide by each and every agreement, condition and covenant contained in the note, in any extension or renewal thereof, in any agreement supplementary thereto and in that certain loan resolution adopted by the Borrower on

04/24/2003 AND 03/31/2005

, and in this instrument.

13. To comply with all laws, ordinances, and regulations affecting the property.

14. To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.

15. Neither the property nor any portion thereof or interest therein shall be leased, assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest in or to the lien or any benefits hereof.

16. At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

17. The Government may extend and defer the maturity of and renew and reamortize the debt evidenced by the note or any indebtedness to the Government secured hereby, release from liability to the Government any party so liable thereon, release portions of the property from and subordinate the lien hereof, and waive any other rights hereunder, without affecting the lien or priority hereof or the liability to the Government of Borrower or any other party for payment of the note or indebtedness secured hereby except as specified by the Government in writing.

18. Default hereunder shall constitute default under any other real estate, personal property, or other security or loan instrument held or insured by the Government and executed or assumed by Borrower, and default under any such other security or loan instrument shall constitute default hereunder.

19. The power to appoint a substitute trustee is hereby granted to the Government and its assigns, to be exercised at any time hereafter, without notice and without specifying any reason therefor, by filing for record in the office where this instrument is recorded an instrument of appointment, whereupon the substitute trustee shall succeed to all the estates, rights, powers, and trusts herein granted to or vested in Trustee, and the former trustee or substitute trustee shall be divested thereof; and notice of the exercise of this power and any requirement of, or right to require, a bond from any trustee hereunder, are hereby waived.

20. SHOULD DEFAULT occur in the performance or discharge of any obligation secured by this instrument, or should the Borrower be declared a bankrupt, or an insolvent, or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) authorize and request Trustee to foreclose this instrument and sell the property as provided by law.

21. Upon default aforesaid, at the request of the Government, Trustee may foreclose this instrument by advertisement and sale of the property as provided by law, for cash or secured credit at the option of the Government, personal notice of which sale need not be served on Borrower; such sale may be adjourned from time to time without other notice than oral proclamation at the time and place appointed for such sale and correction made on the posted notice; and at such sale the Government and its agents may bid and purchase as a stranger, Trustee at his option may conduct such sale without being personally present, through his delegate authorized by him for such purpose orally or in writing, and Trustee's execution of a conveyance of the property or any part thereof to any purchaser at foreclosure sale shall be conclusive evidence that the sale was conducted by Trustee personally or through his delegate duly authorized in accordance herewith. If the property is situated in two or more counties, the sale may be held in any one of such counties selected by the Government in its sole discretion.

22. The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option any other indebtedness of Borrower owing to or insured by the Government, and (f) any balance to Borrower. At foreclosure or other sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to or insured by the Government, in the order prescribed above.

23. As against the debt evidenced by the note and any indebtedness to the Government hereby secured, with respect to the property, Borrower (a) hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of valuation, appraisal, and exemption, to which Borrower is or becomes entitled under the laws and constitution of the jurisdiction where the property lies, and (b) hereby agrees that any right provided by such laws or constitution for redemption or possession following foreclosure sale shall not apply, and that no right of redemption or possession shall exist after foreclosure sale.

24. This instrument shall be subject to the present regulations of the Rural Utilities Service, United States Department of Agriculture, and to its future regulations not inconsistent with the express provisions hereof.

25. Notices given hereunder shall be sent by certified mail, unless otherwise required by law, addressed, unless and until some other address is designated in a notice so given, in the case of the Government to the Rural Utilities Service, United States Department of Agriculture, at Jackson, Mississippi 39269, and in the case of Borrower to it at its principal place of business stated above.

IN WITNESS WHEREOF, the Borrower has caused its corporate name to be hereunto subscribed by its President and its seal to be affixed and attached by its Secretary on the day and year first hereinabove written.

DAYS WATER ASSOCIATION, INC.

Name of Corporation

Anthony Pastori
Anthony Pastori, President

(S E A L)

Attest:

Robin James
Secretary

ACKNOWLEDGMENT

STATE OF MISSISSIPPI

ss:

COUNTY OF DeSoto

On this 24th day of October, 2006, before me, _____
(month) (year)

a notary public, duly commissioned, qualified and acting, within and for said county and state, appeared in person within

named Anthony Pastori and Robin James
to me personally well known, who stated that they were the President and Secretary, respectively, of the

Days Water Association, Inc.

and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal on this the 24th day of

October, 2006.
(month) (year)

Eva M. Hartfield
Notary Public

My Commission Expires:

MISSISSIPPI STATEWIDE NOTARY PUBLIC
MY COMMISSION EXPIRES JUNE 21, 2008
BONDED THRU STEGALL NOTARY SERVICE



(S E A L)

DAYS WATER ASSOCIATION, INC.

The land in DeSoto County, Mississippi described as follows
to wit:

Part of the Southeast Quarter of the Northeast Quarter of Section 19, Township 2 South, Range 8 West DeSoto County, Mississippi described as follows: beginning at the Northwest corner of Lot #1 of Lake Lipscomb Subdivision Section "B" as recorded in Plat Book 3, Page 44 in the Office of the Chancery Clerk of DeSoto County, Mississippi, thence north 44 degrees 30 minutes west 144.0 feet to an iron pin for the point of beginning of the following described tract, thence north 47 degrees 00 minutes west 60.0 feet to an iron pin, thence north 43 degrees 00 minutes east 75.0 feet to an iron pin, thence south 47 degrees 00 minutes east 60.0 feet to an iron pin, thence 43 degrees 00 minutes west 75.0 feet to the point of beginning and containing 0.1 acres more or less as described by the deed recorded in Book 67 Page 471.

EXHIBIT A

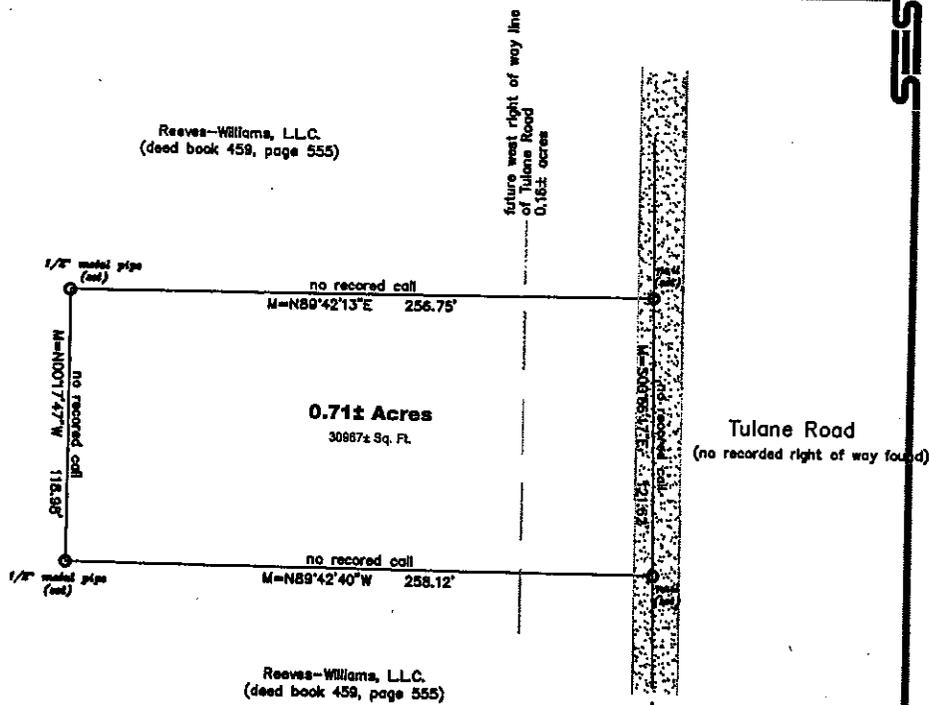
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The land in DeSoto County, Mississippi, being more particularly described as follows:

0.94 acres in the Northwest Quarter of the Northwest Quarter of Section 20, Township 2 South, Range 8 West, DeSoto County, Mississippi, more particularly described as beginning at a 1/2" rebar set on the South side of Star Landing Road located 47.81 feet south and 633.66 feet East of a point commonly accepted as the Northwest corner of said Section 20, Township 2 South, Range 8 West; run thence South 89 degrees 17 minutes 43 seconds East along said South line for a distance of 30 feet to a 1/2 inch rebar set; run thence South 00 degrees 07 minutes 52 seconds East leaving said south line of Star Landing Road for a distance of 465.56 feet to a 1/2" rebar set; run thence South 89 degrees 31 minutes 52 seconds East for a distance of 238.42 feet to a 1/2" rebar set; run thence South 00 degrees 07 minutes 52 seconds East for a distance of 100 feet to an iron pin found; run thence North 89 degrees 31 minutes 52 seconds west for a distance of 268.42 feet to an iron pin found; run thence North 00 degrees 07 minutes 52 seconds West for a distance of 565.68 feet to the Point of Beginning containing 0.94 acres more or less.

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EXHIBIT "A"



Legal Description

A 0.71, more or less, acre tract of land being located in the southeast quarter of section 4, township 2 south, range 8 west of the Chickasaw Meridian, City of Horn Lake, DeSoto County, Mississippi and being more particularly described as follows:

Commencing at the southeast corner of section 4, township 2 south, range 8 west of the Chickasaw Meridian, said corner being a cotton picker spindle (found); thence north 00 degrees 56 minutes 17 seconds west, a distance of 253.68 feet to a nail (set) in Tulane Road (no recorded right of way found); thence north 89 degrees 42 minutes 40 seconds west, a distance of 258.12 feet to a 1/2" metal pipe (set); thence north 00 degrees 17 minutes 47 seconds west, a distance of 118.98 feet to a 1/2" metal pipe (set); thence north 89 degrees 42 minutes 13 seconds east, a distance of 258.76 feet to a nail (set) in Tulane Road (no recorded right of way found); thence south 00 degrees 56 minutes 17 seconds east, a distance of 121.62 feet to the point of beginning. Containing 0.71, more or less, acres and being subject to all codes, covenants, easements, revisions, restrictions, regulations, and rights of way of record.

GRAPHIC SCALE



(IN FEET)
1 inch = 100 ft.



<p>SMITH ENGINEERING FIRM INCORPORATED</p> <p>691 RASCO ROAD SOUTHAVEN, MISSISSIPPI 38671</p> <p>(662) 393 - 3348 FAX (662) 393 - 0714</p>	<p>North Referenced To</p> <p>NORTH-REF</p>
	<p>SHT-TITLE SHT-TITLE</p>
<p>DESCRIPTION DESCRIPTION DESCRIPTION CITY COUNTY S-T-R BOOK-PAGE CLASS DATE-SURVEYED DATE-CORNERS-SET DATE-DRAWN DATE-REVISED PARTY-CHIEF DRAWN-BY W.O.# FILENAME</p>	<p>I hereby certify that I, or someone under my direct supervision, surveyed the above described property and that this plat is true and correct to the best of my knowledge and belief. This survey was made by using physical features found on the ground and from available recorded information and this survey also meets minimum standards set forth by the State of Mississippi.</p> <p>This is to certify that this property is not located in a HUD identified special 100 year flood hazard area according to FIA Map No. FEMA-MAP , dated FEMA-DATE</p> <p>This survey is subject to all codes, covenants, regulations, restrictions, easements and rights of way of record.</p>
	<p>Ben W. Smith Mississippi R.L.S. No. 1909</p>

S-T-R DESCRIPTION