

Prepared by/Return to:
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Attorney at Law
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file#: 060952

WRAP AROUND DEED OF TRUST

THIS INDENTURE, made and entered into this the 29th day of December, 2006, by and between Gary A. Hardy and wife, Carla A. Hardy, as Grantor, and Joseph M. Sparkman, Jr. as Trustee and Andy Chandraratne, Beneficiary.

WITNESSETH: That for and in consideration of an existing and future indebtedness herein recited, Grantor hereby conveys, warrants and confirm unto Trustee the following described real estate situated and being in DeSoto County, Mississippi:

Lot 5, Rolling Green Subdivision, in Section 29, Township 1 South, Range 8 West, DeSoto County, Mississippi as per plat thereof recorded in Plat Book 23, Pages 53-54 in the office of the Chancery Clerk of DeSoto County, Mississippi

SEE ADDENDUM ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF FOR ADDITIONAL WRAP AROUND TERMS AND CONDITIONS



TO HAVE AND TO HOLD, the aforesaid real estate, together with all the hereditaments and appurtenances thereunto belonging or in any wise appertaining unto the said Trustee, his successors and assigns, in fee simple forever, and the said Grantor does hereby covenant with the said Trustee, his successors and assigns, that he is lawfully seized in fee of the aforescribed real estate; that he has a good right to sell and convey the same; that the same is unencumbered, and that the title and quiet possession thereto he will and his heirs and personal representatives shall warrant and forever defend against the lawful claims of all persons.

But this is a Deed of Trust and is made for the following uses and purposes, and none other; that is to say, Grantor is justly indebted to Beneficiary or the holder of the notes hereinafter mentioned, in the sum of Fifty Thousand Dollars (\$50,000.00), evidenced by one note of even date herewith, executed by Grantor, which note bears interest and is payable as provided in said note.

If all or any part of the property secured hereby, or any interest in it, is sold or transferred without the prior written consent of the holder of said note, the holder may, at option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by the holder if prohibited by Federal law as of the date of this instrument. If the holder exercises this option, it shall give Grantor notice of acceleration. The notice shall provide a period of not less than thirty (30) days from the date the notice is delivered or mailed within which Grantor must pay all sums secured hereby. If Grantor fails to pay these sums prior to the expiration of this period, the holder may invoke any remedies permitted by this instrument without further notice or demand.

The privilege is reserved and given to prepay the outstanding principal balance of the note secured hereby, together with accrued interest thereon, without penalty in accordance with the terms and conditions of said note.

The parties hereto desire to secure and make certain the payment of said indebtedness, and of any and all renewals and extensions thereof. Now, therefore, Grantor agrees and binds himself that so long as any part of the indebtedness aforesaid shall remain unpaid, he will pay all taxes and assessments against said property promptly when due, and deposit all taxes receipts with the holder of the greater portion of the outstanding indebtedness secured hereby within a reasonable time thereafter; will insure the buildings on said property for not less than the lesser of (1) the insurable value thereof or (2) the total indebtedness secured by mortgages, deeds of trust or other security instruments encumbering the aforescribed real estate against loss or damage by fire and the perils against which insurance is afforded by extended coverage endorsement in some insurance company or companies approved by the holder of the greater portion of the outstanding indebtedness secured hereby, cause said policies to contain a standard mortgage clause in favor of the holder of said indebtedness, deposit said policies with the holder of the



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greater portion of the outstanding indebtedness secured hereby as further security for said debt and deposit annual paid receipts with said holder within a reasonable time after payment is made; will protect the improvements on said property by proper repairs, and maintain them in good repair and condition; will not do anything or suffer or permit anything to be done whereby the lien of this Deed of Trust might or could be impaired; will pay such expenses and fees as may be necessary in the protection of the property and the maintenance and execution of this trust, including, but not being limited to, expenses incurred by the Trustee in any legal proceeding to which he is made or becomes a party. The net proceeds resulting from the taking of all or any part of the property by eminent domain, or from any sale in lieu thereof, shall be applied upon the indebtedness in inverse order of its maturity; and in the event of the destruction of the improvements by fire or other casualty, the net proceeds of the insurance shall be applied upon the indebtedness secured hereby in inverse order of its maturity, or at the option of Grantor, his heirs and assigns, such proceeds may be used to restore the improvements to their former condition.

The owner of any part of the indebtedness aforesaid may, at his discretion, advance and pay such sums as may be proper to satisfy taxes, maintain insurance and repairs, and protect and preserve the property; and such amounts so paid shall be held and treated as part of the expense of administering this trust, shall be repaid on demand with interest at the highest rate legally chargeable on the date of the advance, and shall be secured by the lien of this Deed of Trust.

If Grantor shall pay said indebtedness when due, and shall pay such sums as shall be necessary to discharge taxes and maintain insurance and repairs and costs, fees and expenses of making, enforcing and executing this trust, when they shall severally be due and payable, then this conveyance shall become void, and the owner of the indebtedness shall execute proper deed of release or enter marginal satisfaction on the record of this Deed of Trust, or in the alternative, the Trustee shall reconvey by quitclaim the property herein described, all at the expense of Grantor.

But if Grantor shall fail to pay any part of said indebtedness, whether principal or interest, promptly when the same becomes due, or shall fail to pay any sum necessary to satisfy and discharge taxes and assessments before they become delinquent, or to maintain insurance or repairs, or the necessary expenses of protecting the property and executing this trust, then, or in either event, all of the indebtedness herein secured shall, at the option of the owner of any of said indebtedness and without notice, become immediately due and payable, principal and interest, and the said Trustee is hereby authorized and empowered to enter and take possession of said property, and before or after such entry to advertise the sale of said property for twenty-one days by three weekly notices in some newspaper published in DeSoto County, Mississippi or in the county of residence of the grantor or one of the grantors in this trust deed, provided that where the land is situated in two or more counties, the parties may contract for a sale of the whole in any of the counties in which any part of the land lies, and by posting, one notice at the courthouse in DeSoto County, Mississippi, and sell the said property for cash to the highest bidder, free from equity of redemption, statutory right of redemption, homestead, dower, and all other rights and exemptions of every kind, all of which are hereby expressly waived, and said Trustee shall execute a conveyance to the purchaser in fee simple, and deliver possession to the purchaser, which Grantor binds himself shall be given without obstruction, hinderance or delay.

The owner of any part of the indebtedness hereby secured may become the purchaser at any sale under this conveyance.

If the notes secured hereby are placed in the hands of an attorney for collection, by suit or otherwise, or to enforce their collection by foreclosure or to protect the security for their payment, Grantor will pay all costs of collection and litigation, together with an attorney's fee as provided in said notes, or, if none is so provided, a reasonable attorney's fee, and the same shall be a lien on the premises herein conveyed and enforced by a sale of the property as herein provided.

The proceeds of any sale shall be applied as follows: first to the payment of the expenses of making, maintaining and executing this trust, the protection of the property, including the expense of any litigation and attorney's fees, and the usual commissions to the Trustee; second, to the payment of the indebtedness herein secured or intended so to be, without preference or priority of any part over any other part, and any balance on said indebtedness remaining unpaid shall be the subject of immediate suit; and third, should there be any surplus, the Trustee will pay it to Grantor, or his assigns. In the event of the death, refusal, or of inability for any cause, on the part of the Trustee named herein, or of any successor Trustee, to act hereunder, or for any other reason satisfactory to the owner of the said indebtedness, the owner or owners of the majority of the outstanding indebtedness aforesaid are authorized either in their own name or through an attorney or attorneys in fact appointed for that purpose by written instrument duly registered, to name and appoint a successor or successors to execute this trust, such appointment to be evidenced by writing, duly acknowledged; and when such writing shall have been

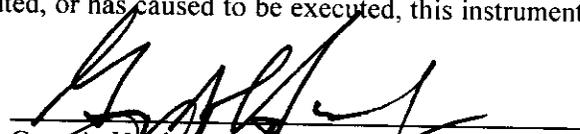
registered, the substituted trustee named therein shall thereupon be vested with all right and title, and clothed with all power of the Trustee named herein and such power of substitution shall continue so long as any part of the indebtedness secured hereby remains unpaid. Grantor, for himself, his heirs, representatives, successors and assigns, covenants and agrees that at any time after default in payment of any of the indebtedness hereby secured, or upon failure to perform any of the covenants to be kept and performed by him, said Trustee may enter upon and take possession of said property and collect the rents and profits therefrom with payment of such to the Trustee after default being full acquittance to the tenant, but the Trustee shall be required to account only for the net rents received by him; and from and after the conveyance of said property under this Deed of Trust, Grantor, and all persons under him, shall, at the option of the purchaser, be and become the tenants at will of the purchaser, at a reasonable monthly rental, commencing with the date of delivery of the Trustee's Deed.

In the event that more than one Trustee be named herein, any one of such Trustees shall be clothed with full power to act when action hereunder shall be required, and to execute any conveyance of said property. In the event that more than one Trustee be named herein and the substitution of a trustee shall become necessary for any reason, the substitution of one trustee in the place of those or any of those named herein shall be sufficient. The term "Trustee" shall be construed to mean "Trustees" whenever the sense requires. The necessity of the Trustee herein named, or any successor in trust, making oath or giving bond, is expressly waived.

No waiver by Grantee or by the holder of the indebtedness secured hereby shall be construed as a waiver of a subsequent similar default or any other default by Grantor.

The singular number may be construed as plural and the plural as singular, and pronouns occurring herein shall be construed according to their proper gender and number, as the context of this instrument may require.

IN WITNESS WHEREOF, Grantor has executed, or has caused to be executed, this instrument on the day and year first written above.



 Gary A. Hardy



 Carla A. Hardy

ADDENDUM TO WRAP AROUND DEED OF TRUST

1. This Deed of Trust is subject and subordinate to a certain Deed of Trust dated October 10, 2003 made between Andy Chandraratne, as Borrower, and Covenant Bank, as Lender, which Deed of Trust is recorded in Deed of Trust Book 1854, Page 437 in the office of the Chancery Clerk of DeSoto County, Mississippi and which Deed of Trust constitutes a first lien upon the premises described herein, now in the principal amount of \$49,543.00 as to the property secured hereby only.

2(a). Grantor agrees to comply with all terms and conditions of the first Deed of Trust as to the property secured hereby only, other than with respect to the payment of principal and interest due thereunder.

(b). In the event Grantor shall fail to so comply with all the terms, provisions and conditions of the first Deed of Trust so as to result in default under said Deed of Trust (other than with respect to the payment of principal and interest due thereunder), or in the event Grantor shall fail to make payment of principal and interest to Holder of the Note secured by this Deed of Trust in sufficient amounts to cover the principal, interest due and payable under the first Deed of Trust, such failure on the part of Grantor shall constitute a default under this Deed of Trust and shall entitle the Holder of the Note hereby secured (hereinafter called "Holder"), at its option, to exercise any and all rights and remedies given the Holder in the event of a default hereunder.

3(a). To the extent of payments received on the Note secured hereby, the Holder agrees to pay to the Holder of the first Deed of Trust as and when required by the terms of this first Deed of Trust the monthly and final installments of principal and interest due and payable thereunder.

(b). Notwithstanding the foregoing, the Holder's obligation to make the respective payments as and when due under the first Deed of Trust is conditioned upon the following:

(I) Grantor shall not be in default under this Deed of Trust.

(ii) Grantor shall comply with all of the terms and provisions of the first Deed of Trust other than with respect to the payments of principal and interest due thereunder, as to the property secured hereby only.

(iii) Grantor shall pay promptly when due all installments of principal, interest, taxes and insurance due under the Note secured hereby.

(iv) The payments by the Holder of the principal and interest due and payable under the first Deed of Trust shall be limited to the amount received by the Holder from Grantor under the Note secured by this Deed of Trust.

(c). Grantor does not assume any of the obligations of Holder under the first Deed of Trust except as hereinbefore provided with respect to payments of principal, interest, taxes and insurance due thereunder.

4. Grantor shall have the privilege to prepay in full or in part the balance of said principal and accrued interest, as provided for in said Note, without penalty, and to the extent prepayments are made on this Deed of Trust, Holder agrees to likewise reduce the indebtedness on the first Deed of Trust as the property secured hereby only by a similar amount.

5. If the Holder shall default in making any required payment of principal and interest under the first Deed of Trust as to the property secured hereby only, Grantor shall have the right to advance the funds necessary to cure said default and all funds so advanced by Grantor together with interest at the rate of ten percent (10%) per annum shall be credited against the next installment(s) of principal and interest due under the Note secured by this Deed of Trust.

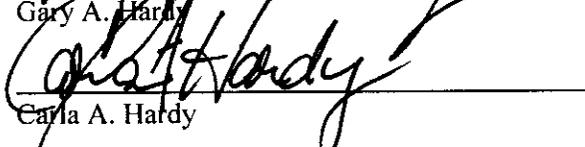
6. The Holder agrees to send promptly to Grantor all copies of any notices received by them from the Holder of the first Deed of Trust as to the property secured hereby only.



 Andy Chandraratne



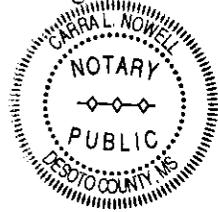
 Gary A. Hardy



 Carla A. Hardy

State of Mississippi
County of DeSoto

Personally appeared before me, the undersigned authority in and for the said county and state, on this 29th day of December, 2006, within my jurisdiction, the within named Gary A. Hardy and wife, Carla A. Hardy, who acknowledged that he/she/they executed the above and foregoing instrument.



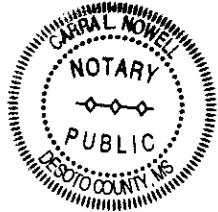
Carla L. Nowell
Notary Public

My commission expires:

MY COMMISSION EXPIRES:
July 30, 2007

State of Mississippi
County of DeSoto

Personally appeared before me, the undersigned authority in and for the said county and state, on this 29th day of December, 2006, within my jurisdiction, the within named Andy Chandraratne, who acknowledged that he/she/they executed the above and foregoing instrument.



Carla L. Nowell
Notary Public

My commission expires:

MY COMMISSION EXPIRES:
July 30, 2007