

DEED OF TRUST

THIS DEED OF TRUST (the "TRUST") dated this 29<sup>th</sup> of April

BETWEEN:

Michael Allen Long of 1232 Haywood Drive, Southaven, Ms. 38671, and Cynthia Elaine Long of 1232 Haywood Drive, Southaven, Ms. 38671

(collectively the "Trustor")

OF THE FIRST PART

- AND -

Barbara Kay Walker of 1417 Willard Drive, Southaven, Ms. 386371

(the "Beneficiary")

OF THE SECOND PART

-AND-

Richard B. Gregg of 1417 Willard Drive, Southaven, Ms. 38671

(the "Trustee")

OF THE THIRD PART

BACKGROUND

A. The Trustor, being registered as owner of the estate in the following described property (the "property") located at 1232 Haywood Drive, Southaven, Ms. 38671 in Desoto County, State of Mississippi, United States with the following legal description: N/E ¼ of Section 2, Township 2 South, Range 8 West, Desoto County, Mississippi - being part of Lot of the Early 0.93 acre lot, more particularly described in exhibit "A".

*prepared by Barbara K. Walker  
att: 1417 Willard Drive  
Southaven, Ms 38671  
901-870-0013*

B. Any building or structures on the Property and anything now or later attached or fixed to the buildings or the Property including additions, alterations and improvements located on, above or below the surface of the Property are covered by this Trust. However, no addition, alterations or improvements will be made by the Trustor without the Beneficiary's prior written consent. Any addition, alteration or improvement will be subject to all applicable building and use restrictions, zoning laws and limitation, if any, affecting the Property.

IN CONSIDERATION OF the sum lent to the Trustor by the Beneficiary, in the amount of \$60,000.00 U.S. Dollars (the "Principal Amount") the receipt of which the Trustor does hereby acknowledge itself indebted, the parties to this Trust agree as follows:

U.C.C Security Agreement:

1. It is agreed that if any of the Property herein trusted is of a nature so that a security interest in the Property can be perfected under the Uniform Commercial Code, this instrument will constitute a Security Agreement and Trustor agrees to join with the Beneficiary in the execution of any financing statements and to execute any and all other instruments that will be required for the perfection or renewal of such security interest under the Uniform Commercial Code.

Governing Law:

2. This Trust will be governed by both the law of Mississippi and applicable federal law ("Applicable Law"). All rights and obligations contained in this Trust are subject to any requirements and limitations of Applicable law.

**MATTERS RELATING TO PAYMENT**

Promise to Pay

3. The Trustor, for value received, promises to pay the Beneficiary, on demand, the Principal Amount, Interest and all fees and costs on the terms set out in this Trust or in any amendment, extension or renewal of the Trust and any additional amounts secured by the Trust on the terms elsewhere provided for such debts and liabilities.

Interest

4. The Trustor agrees to pay the Principal Amount with interest before and after maturity and before and after default at the rate of 6.50 percent calculated per annum and compounding monthly, (the "Interest Rate"). The interest rate will be calculated from the date this Trust begins (the "Interest Assessment Date") and accrues until the whole of the Principal Amount is paid. The Loan will be repaid on the following terms:

a. The Principal and interest will be repaid in consecutive monthly installments of \$541.04 each on the 6<sup>th</sup> of each month.

- b. The Interest Adjustment Date for this trust is April 6, 2010.
- c. The balance, if any, of the Principal Amount and any interest thereon and any other money owing under this Trust will be due and payable on the 6<sup>th</sup> of April, 2022.

#### **Place of Payment**

- 5. The Trustor will make monthly payments at 1417 Willard Drive, Southaven, Ms. 38671 or at a location later specified by the Beneficiary.

#### **Obligation to Pay without Set-off or Delay**

- 6. The Trustor agrees to pay all amounts payable pursuant to this Trust and all additional amounts secured by this Trust without abatement, set-off or counterclaim. Should the Trustor make any claim against the Beneficiary either initially or by way of abatement, set-off or counterclaim, the Trustor agrees that any such claim will not diminish or delay his obligations to make the payments as provided in this Trust.

- 7. All monthly payments received by the Beneficiary will first be applied in payment of the interest calculated at the Interest Rate, and second in payment of the Principal Amount. However, if the Trustor is in default, the Beneficiary will apply any payments received during this period as the Beneficiary chooses. If the Trustor is in default in payment of any amount including interest, interest will be payable on the interest and other arrears at the Interest Rate compounded monthly.

#### **Prepayment Privileges**

- 8. When not in default, the Trustor may prepay an amount not greater than 20% of the original Principal Amount of the Trust anytime during the year. Should Trustor full pay before 60 month (Five Years) there will be a 3% prepayment penalty.

#### **Discharge**

- 9. When the Trustor pays the Principal Amount, interest and all other amounts secured by this Trust in full and notifies the Beneficiary in writing, the Beneficiary will execute a Deed of Reconveyance and record it to clear the title to the Property. The Trustor will give the Beneficiary a reasonable time after payment in which to prepare and issue the Deed of Reconveyance.

#### **Covenants**

- 9. The Trustor warrants and agrees that:
  - A. the Trustor has good title to the property
  - B. the Trustor has the authority to trust the Property

- C. on default, the Beneficiary will have quiet possession of the Property
- D. THE Property is free of all encumbrances
- E. the Trustor will execute further assurance of th Property as will be required
- F. the Trustor has not done any act to encumber the Property.

10. The Trustee warrants and agrees that:

Trustee will preserve the title to the property and the validity and priority of this Trust and will forever warrant and defend the same for the Beneficiary against the claims of all persons.

#### **Fixtures and Additions**

11. The Trustor agrees the Property includes all property of any kind that is now or at any time in the future attached or fixed to the land or buildings or placed on and used in connection with them, as well as all alterations, additions and improvements to the building.

#### **Payment of Taxes and Other Encumbrances**

12. The Trustor will pay all taxes and other related levies on the Property and all accounts **for** utilities supplied to the property and all charges, trusts, liens and other encumbrances on the Property when they are due and comply with his other obligations under them. Upon the Beneficiary's request, the Trustor will immediately give receipts showing the taxes and other accounts have been paid.

#### **No Sale Without Consent**

13. The Trustor will not sell, transfer, lease or otherwise dispose of all or any part of the Property or any interest in the Property without the Trustor's and Beneficiary's prior written approval

#### **Property Insurance**

14. Trustor will insure in the Beneficiary's favor all buildings on the Property that are the subject of the Trust. The insurance will include protection against damage by fire and other perils including "extended peril coverage" The insurance must cover replacement costs pf any buildings on the Property. The Trustor will choose the insurance company subject to the Beneficiary's right to disapprove. The insurance will include a standard trust clause saying that any loss is payable to the Beneficiary. This Trust will be enough proof for any insurance company to pay any claims to the Beneficiary and to accept instructions from the Beneficiary regarding any insurance claims.

15. The Trustor will provide to the Beneficiary a copy of the insurance policy and renewal notices

16. In the event of loss, the Trustor will provide prompt notice to the Beneficiary and the insurance carrier. The insurance proceeds will be used to restore and repair the Property. If the restoration and repair are not economically feasible, the insurance proceeds will be applied to the remainder of the Trust, whether or not the balance of the Trust is then due. Any remaining funds

from the insurance proceeds will be paid to the Trustor.

**Repair, Vacancy and Maintenance of the Property**

17. The Trustor will maintain the Property in good order, condition and repair and will promptly make all necessary repairs, replacements and improvements. The Trustor will not allow the Property to become or remain vacant without the written consent of the Beneficiary. The Trustor will not commit waste and will not remove, demolish or materially alter the Property without prior written consent from the Beneficiary.

**DEFAULT AND REMEDIES**

**Trustor Right to Quiet Possession**

18. Until default by the Trustor under this Trust, the Trustor will have quiet possession and receive any rents and profits from the Property.

**Event of Default**

19. The Trustor will be in default under this Trust upon the happening of any of the following events.:

A. If the Trustor defaults in the payment of the principal Amount, interest or any other amount secured by this Trust, when payment of such amount becomes due under the terms of this Trust, when payment of such amount becomes due under the terms of this Trust or as elsewhere provided (Promissory Note dated 04/06/2010)

B. If the Trustor defaults in the observance or performance of any terms or covenant which the Trustor has agreed to observe or perform under this Trust.

C. If any information or statement the Trustor has given or made before, at or after signing the Trust, in respect of the Property or the Trustor's affairs is incorrect or untrue at the time it was give or made.

D. If a petition in bankruptcy is filed against the Trustor, if the Trustor makes a general assignment for the benefit of the creditors, if a receiver, interim receiver, monitor or similar person is placed in control of or for the overview of the Trustor's affairs or Property, or if in the opinion of the Beneficiary, the Trustor becomes insolvent.

E. If a construction or similar lien is registered against the Property or if default occurs under any other lien, trust or other encumbrance existing against the Property.

F. If the Trustor abandons or does not visibly and consistently occupy the property or

G. If the Property or a material part of the property is expropriated.

**Acceleration on Default**

20. If at any time the Trustor should be in default under this Trust, the Principal amount, interest and all amounts secured the this Trust will, at the option of the Beneficiary, become due and payable immediately.

21. If at any time the Trustor is in default and the Beneficiary does not require the Trustor to pay immediately in full as described above, the Beneficiary will retain the right to seek full immediate payment if the Trustor is in default at a later time. Any forbearance on the part of the beneficiary upon default, which includes but not limited to acceptance of late payment, acceptance of payment from third parties, or acceptance of payments less than the amount then due, will not constitute as waiver to enforce acceleration on default.

22. In the even that the beneficiary elects to accelerate the Trust, the Beneficiary will provide notice to the Trustor in accordance with Applicable law.

**Additional Charges**

23. The Trustor may be charged with fees in association with the default of this Trust or for the protection of the Beneficiary's interest for this Trust, which may include, but is not limited to attorney's fees and property inspections (the "Additional Fees"). The absence of specific charges which may be levied against the Trustor in this Trust does not preclude the Beneficiary from charging such costs as Additional Fees. However, the Beneficiary will not charge any fees which are prohibited by Applicable law and the Beneficiary will not charge any fees above and beyond the amount or percentage allowed under the Applicable law. Any amount disbursed by the Beneficiary in relation to the protection of the Beneficiary's security will become Additional Fees payable by the Trustor. The Additional Fees will carry an interest rate of 6.50 percent Per annum, compounding monthly. The Additional Fees total interest will become due upon written request by the Beneficiary.

**Protection of Beneficiary's Security**

24. If at any time the Trustor should fail to uphold the covenants in this Trust, or if a legal proceeding commences which materially affects the Beneficiary's interest in the property, the Beneficiary may pay or perform any reasonable action as necessary to protect the Beneficiary's interest, which includes, but is not limited to:

- A. payment of insurance premiums, taxes, and levies accruing against the Property;
- B. payment of sums due secured by a prior lien which has priority over this Trust
- C. payment of legal fees in relation to any legal proceeding or legal costs arising from the property; and
- D. payment of reasonable costs in repairing and maintaining the Property

**Power of Sale**

25. If at any time the Trustor should be in default under this Trust, the Beneficiary will have the right to foreclose and force the sale of the Property without any judicial proceedings. Any delay in the exercising of this right will not constitute as waiver on the part of the Beneficiary to exercise this option at a subsequent time should the Trustor remain in default or if the Trustor becomes default again in the future.

**Remedies on Default**

26. The Beneficiary will have the right to pursue all remedies for the collection of the amounts owing on this Trust that are provided for by Applicable Law (both federal and state), whether or not such remedies are expressly granted in this Trust, including but, without limitation, foreclosure proceedings.

27. If the Beneficiary invokes the power of sale, the Beneficiary will cause the Trustee to execute a written notice of the event of default and the Beneficiary's election to sale the property. The Beneficiary or the Trustee will mail copies of the notice as prescribed by the Applicable Law to Trustor and other persons as required by Applicable law. The Trustee will give public notice of sale to the Trustor in the manner provided for by Applicable Law. After the time required by Applicable Law, the Trustee, without demand on the Trustor, will sell Property at public auction to the highest bidder, at the time and place and subject to the terms indicated in the notice of sale. The Trustee may postpone sale of Property by public announcement at the time and place of scheduled sale.

**Severability**

28. If any provision of this Trust will be held invalid or be prohibited by the Applicable Law, such provisions will not invalidate the remaining provisions of the Trust and such provisions will be amended or deleted as necessary to comply with the Applicable law.

29. Nothing in the Trust will require the Trustor to pay or for the Beneficiary to accept interest in the amount greater than that allowed by Applicable law. If the payment of interest or other amounts under Trust would otherwise exceed the maximum amount allowed under Applicable Law or violate any law as to disclosure or calculation of interest charges, then the Trustor's obligations to pay interest or other charges will be reduced or amended to the maximum rate or amount permitted under Applicable Law.

**Joint Signatures**

30. If the Trustor is more than one person\or legal entity, each person or legal entity who signs it will be jointly and severally bound to comply with all covenants and obligations of the Trustor and the said covenants and obligations will bind all of the Trustor's successors and permitted assigns. The Trust will ensure to the benefit of the Beneficiary and the Beneficiary's successor and assigns.

**Statutory Covenants**

31. The covenants combined in this Trust are additional and supplemental, to the extent permitted by law, the covenants set out in the Applicable Law regarding trusts.

**Substitute Trustee**

32. The Beneficiary may, at its option, from time to time appoint a new Trustee by an instrument executed and acknowledged by the Trustor and recorded in the office of the Recorder of the county in which the property is located. The instrument will contain the name of the original Beneficiary, Trustee, and Trustor, the book and pages where the Trust is recorded and the name and address of successor trustee. The successor trustee will succeed to all the title, powers, and duties conferred upon the Trustee.

**Demands and Notices**

33. Any notice given by either party in this Trust must be in writing. Unless otherwise provided in this Trust or prohibited by law, where this Trust allows or requires the Beneficiary to make a demand on or give the notice by:

- A. delivering it to the person at the Property or person's last address;
- B. by mailing it by prepaid registered mail addressed to the person at the Property or the person's last known address;
- C. by sending it by facsimile to the person's last known number;

34. Any party in this instrument whose address has changed are responsible for notifying the other respective parties of the address change.

35. Any notice or demand delivered as described will constitute as sufficient delivery. Any notice, demand, mail and facsimile (the "Notice") made will constitute as being effective on the same day it was sent, unless the day in which the notice was sent falls on a national holiday, Saturday or Sunday, in which case, the next business day would be considered as the day of receipt.

**Additional Clauses**

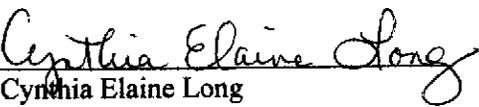
36. If Trustor defaults in payment by more than five days of the time set forth herein, then Trustors shall pay an additional \$25.00. The late payment fee will continue to accrue at the rate of \$1.00 per day of delinquency.

37. Trustors agree they are purchasing the Property "As Is" and Beneficiary is free of any additional labor or expense.

38. In the event of death or incapacitation of Beneficiary, Trustors will continue making payments to Richard B. Gregg, Trustee under the original terms of this Trust

IN WITNESS WHEREOF the Trustees have duly affixed their signatures under hand and seal  
on this 29 of April, 010.

  
Michael Allen Long  
(TRUSTOR)

  
Cynthia Elaine Long  
(TRUSTOR)

Phone 662-393-4184  
Phone 901-246-0886

**Trustor Acknowledgment**

State of Mississippi)  
County of Desoto

Personally appeared before me, the undersigned authority in and for the said county and state, on this 29 day of April, 2010, within my jurisdiction, the within named Michael Allen Long, Cynthia Elaine Long who acknowledged that they executed the above and foregoing instrument.

Seal:



Maria Pura Jimenez  
Notary Public

My commission expires: Jan 3, 2014

Initials: CEL (MP)

## EXHIBIT "A"

Lot 2 being the east part of the Early 0.93 acre lot in the northeast quarter of Section 2, Township 2 South, Range 8 West, DeSoto County, Mississippi, being more particularly described as follows:

Beginning at a point 3027.0 feet north of and 1256.1 feet west of the southeast corner of Section 2, Township 2 South, Range 8 West, said point being the northeast corner of the Early 0.93 acre lot as shown by a survey of said lot by J. E. Lauderdale on May 1, 1961, said point being the Point of Beginning of the following lot 2; thence south 77 degrees, 30 minutes west 75.0 feet along the north line of the Early lot to a point in the center of an existing ditch, said point being the northeast corner of Lot 1 of the Early lot; thence south 12 degrees, 11 minutes west 202.28 feet along the center of said ditch to the southeast corner of lot 1 of the Early lot; thence north 81 degrees, 33 minutes east 146.0 feet along the north right of way of Haywood Drive to the southeast corner of the Early lot; thence north 8 degrees, 26 minutes west 194.6 feet to the Point of Beginning and containing 0.48 acres more or less. All bearings are magnetic. Address: 1232 Haywood, Horn Lake, Mississippi.