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DK T BK 3, 248 PG 370
DESOTO COUNTY, MS
W.E. DAVIS, CH CLERK

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DEED OF TRUST

FHA CASE NO.
281-3824618-703

After Recording Return To:

& Austin Law Firm, P.A.
6928 Cobblestone Dr STE 100
Southaven, MS 38672 662-890-7575
Indexing Instruction: Part of the NE 1/4 of the NE 1/4 of Section 20, T2S, R5W, Desoto County, MS

Preparer's name, address, and telephone number:

BancorpSouth Mortgage Center
6955 Goodman Road
Olive Branch, MS 38654
662-678-7009

THIS DEED OF TRUST ("Security Instrument") is made on **November 30, 2010**. The grantor is **William J. Walgenbach and wife, Angela Renee Walgenbach**

J. Patrick Caldwell

("Borrower"). The trustee is

BancorpSouth Bank, State Chartered Institution
which is organized and existing under the laws of **The State of Mississippi**
PO Box 3356, Tupelo, MS 38803-3356

("Trustee"). The beneficiary is

, and whose address is

("Lender"). Borrower owes Lender the principal sum of

Sixty One Thousand Forty Six and no/100

Dollars (U.S. **\$61,046.00**). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on **December 01, 2040**. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in **Desoto** County, Mississippi:

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See Attached Exhibit 'A'

which has the address of

2983 Red Banks Road N
 [Street]
Byhalla, Mississippi **38611** ("Property Address");
 [City] [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and 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 seised 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.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest and Late Charge. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and late charges due under the Note.

2. Monthly Payment of Taxes, Insurance, and Other Charges. Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, a sum for (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for insurance required under paragraph 4. In any year in which the Lender must pay a mortgage insurance premium to the Secretary of Housing and Urban Development ("Secretary"), or in any year in which such premium would have been required if Lender still held the Security Instrument, each monthly payment shall also include either: (i) a sum for the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary, in a reasonable amount to be determined by the Secretary. Except for the monthly charge by the Secretary, these items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds."

Lender may, at any time, collect and hold amounts for Escrow Items in an aggregate amount not to exceed the maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. § 2601 et seq. and implementing regulations, 24 CFR Part 3500, as they may be amended from time to time ("RESPA"), except that the cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Borrower's payments are available in the account may not be based on amounts due for the mortgage insurance premium.

If the amounts held by Lender for Escrow Items exceed the amounts permitted to be held by RESPA, Lender shall account to Borrower for the excess funds as required by RESPA. If the amounts of funds held by Lender at any time are not sufficient to pay the Escrow Items when due, Lender may notify the Borrower and require Borrower to make up the shortage as permitted by RESPA.

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The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. If Borrower tenders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance remaining for all installment items (a), (b), and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b), and (c).

3. Application of Payments. All payments under paragraphs 1 and 2 shall be applied by Lender as follows:
FIRST, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium;
SECOND, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;
THIRD, to interest due under the Note;
FOURTH, to amortization of the principal of the Note; and
FIFTH, to late charges due under the Note.

4. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged Property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument (or within sixty days of a later sale or transfer of the Property) and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender determines that requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. 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. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. 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.

6. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid

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under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

7. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by paragraph 2, or fails to perform any other covenants and agreements contained in this Security Instrument, or 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 and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in paragraph 2.

Any amounts disbursed by Lender under this paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement at the Note rate, and at the option of Lender shall be immediately due and payable.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

8. Fees. Lender may collect fees and charges authorized by the Secretary.

9. Grounds for Acceleration of Debt.

(a) Default. Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:

- (i) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or
- (ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

(b) Sale Without Credit Approval. Lender shall, if permitted by applicable law (including section 341(d) of the Garn-St. Germain Depository Institutions Act of 1982, 12 U.S.C. 1701j-3(d)) and with the prior approval of the Secretary, require immediate payment in full of all sums secured by this Security Instrument if:

- (i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent), and
- (ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property, but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) No Waiver. If circumstances occur that 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.

(d) Regulations of HUD Secretary. In many circumstances regulations issued by the Secretary will limit Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclose

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if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) **Mortgage Not Insured.** Borrower agrees that if this Security Instrument and the Note are not determined to be eligible for insurance under the National Housing Act within **60 days** from the date hereof, Lender may, at its option require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to **60 days** from the date hereof, declining to insure this Security Instrument and the Note, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

10. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

11. Borrower Not Released; Forbearance by Lender Not a Waiver. Extension of the time of payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-Signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9(b). Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

14. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

15. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

16. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything

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affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substances affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 16, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 16, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

17. Assignment of Rents. Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph 17.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

18. Foreclosure Procedure. If Lender requires immediate payment in full under paragraph 9, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give Borrower, in the manner provided in paragraph 13, notice of Lender's election to sell the Property. Trustee shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder for cash at such time and place in **Desoto** County as Trustee designates in the notice of sale in one or more parcels and in any order Trustee determines. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under paragraph 9, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 U.S.C. 3751 et seq.) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell the Property as provided in the Act. Nothing in the

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preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this paragraph 18 or applicable law.

19. Release. Upon payment of all sums secured by this Security Instrument, Lender shall cancel this Security Instrument. If Trustee is requested to cancel this Security Instrument, all notes evidencing debt secured by this Security Instrument shall be surrendered to Trustee. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under applicable law.

20. Substitute Trustee. Lender, at its option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the county in which this Security Instrument is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

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

- | | | |
|---|--|--|
| <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Graduated Payment Rider | <input type="checkbox"/> Growing Equity Rider |
| <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Rehabilitation Loan Rider |
| <input type="checkbox"/> Non-Owner Occupancy Rider | <input type="checkbox"/> Other [Specify] | |

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BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in pages 1 through 9 of this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

William J. Walgenbach (Seal)
William J Walgenbach -Borrower

Angela Renee Walgenbach (Seal)
Angela Renee Walgenbach -Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

_____(Seal)
-Borrower

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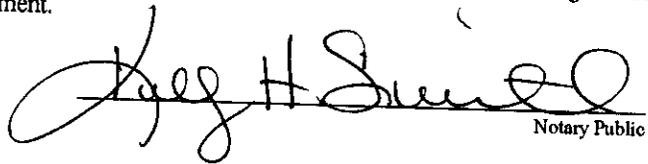
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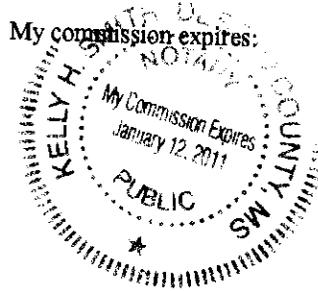
State of **Mississippi**
County of **DeSoto**

Personally appeared before me, the undersigned authority in and for the said county and state, on this **30th**
day of **November 2010**, within my jurisdiction, the within named
William J Walgenbach
Angela Renee Walgenbach

he/she/they executed the above and foregoing instrument.

, who acknowledged that


Notary Public



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EXHIBIT A

Part of the Northeast Quarter of the Northeast Quarter of Section 20, Township 2 South, Range 5 West, DeSoto County, Mississippi, and being more particularly described as follows, to-wit:

Beginning at the Northeast Corner of said quarter section, thence run South 05 degrees 16 minutes 16 seconds East a distance of 110.01 feet along the East line of said quarter section to a point; thence run South 85 degrees 35 minutes 14 seconds West a distance of 397.73 feet to a point; thence run North 05 degrees 16 minutes 16 seconds West a distance of 110.01 feet to a point on the North line of said quarter section; thence run North 85 degrees 35 minutes 14 seconds East a distance of 397.73 feet along said North line to the Point of Beginning and containing 1.01 acres. Bearings are based on true North as determined by solar observation. The above description was written from a plat of survey by Danny S. Rutherford, P.E.L.S., dated August 5, 1994.

Also, Grantors do hereby convey and quitclaim a strip of land 110.1 feet in length and being all of the land lying between the East line of the herein above described lot and the West line of Red Banks Road, and being in Section 21, Township 2, Range 5, and Desoto County, Mississippi.

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Prepared by, and after recording, return to:
Austin Law Firm, P.A.
6928 Cobblestone Dr STE 100
Southaven, MS 38672
662-890-7575

Indexing Instructions:
~~Part of the Northeast Quarter~~
~~of the Northeast Quarter of~~
~~Section 20, Township 2 South~~
~~Range 5 West, DeSoto County.~~

STATE OF MISSISSIPPI
COUNTY OF HINDS

NSP RECAPTURE
DEED RESTRICTION
Home Buyer Advantage Program

William J. Walgenbach

2983 Red Banks Road N
Byhalia, MS 38611

Phone: _____
(Home Buyer Name/Purchase
Address Information)

STATE OF MISSISSIPPI
COUNTY OF DESOTO

The undersigned, WILLIAM J. WALGENBACH ("Owner(s)"),
is/are the owner(s) of certain real property and improvements located at
2983 Red Banks Road N, in Byhalia
(City/Town), DeSoto (County), Mississippi and more particularly
described on Exhibit A attached hereto and incorporated herein for all purposes
(the "Property"). For value received, the adequacy and sufficiency of which are
hereby acknowledged, Owner does hereby impress the Property with the
following deed restrictions.

***ANY EVENT THAT RESULTS IN THE "Property" CEASING TO BE THE
PRINCIPAL RESIDENCE OF THE "Owner(s)" DURING THE "Period of

Recapture Deed Restriction
Mississippi Development Authority
NSP Program
September 2009

Initials WJW
ARW

Affordability SHALL BE IN DIRECT CONFLICT WITH THE TERMS OF THIS DEED RESTRICTION; SHALL BE CONSIDERED A DEFAULT UNDER THE DEED RESTRICTION, AND SHALL REQUIRE THE RECAPTURE OF THE "NSP Investment" USED TO FACILITATE THE PURCHASE OF THE "Property" AS OUTLINED IN "Recapture Requirements" BELOW:

1. For purposes of this deed restriction, the following terms have the meanings indicated, as per the recapture requirements adopted by the Mississippi Development Authority for the Neighborhood Stabilization Program:

"MDA" means Mississippi Development Authority.

"MHC" means Mississippi Home Corporation acting as agent for Mississippi Development Authority

"NSP" means Neighborhood Stabilization Program.

"NSP Investment" means the amount funded by MHC for the benefit of the Owner to assist the Owner in the purchase of the indicated Property.

"Period of Affordability" means a period of time beginning on the date of this instrument pursuant to HUD Final Rule 24 CFR Part 92.254 as follows:

Homeownership assistance NSP amount per-unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 to \$40,000	10

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"Net Proceeds" means the sales price of the Property less the payoff of the first mortgage on the Property and the closing costs associated with the sale of the Property.

"Net Refinancing Proceeds" means the amount of the new mortgage loan, less the payoff amount of the first mortgage on the Property which is superior to this deed restriction and the closing costs associated with the refinancing transaction.

"Owner Investment" means Owner(s) original down-payment investment, principal reductions in original mortgage amount, and/or investments made by the Owner(s) which would qualify as capital improvements under Internal Revenue Service rules.

"Pro-rata Basis" will be calculated as a ratio of the number of full months the Owner occupies the Property as its PRINCIPAL RESIDENCE to the total number of months of the "Period of Affordability" and will be expressed as a percentage.

"Maximum Recapture Amount" means the "NSP Investment" in the property purchase times one minus the "Pro-rata Basis" percentage.

"Recapture Requirements" means that if the Property does not continue as the PRINCIPAL RESIDENCE of the Owner for the duration of the "Period of Affordability" that MDA will recapture a portion of the "NSP Investment" received by the Owner(s) as calculated by using the "Pro-rata Basis" (as defined above) and the appropriate conditions of default (as outlined in numbers 3, 4, or 5, below).

"Shared Net Proceeds Basis" means the amount of NSP funds to be recaptured will be determined based on the following formula:

$$\text{NSP INVESTMENT} / (\text{NSP INVESTMENT} + \text{OWNER INVESTMENT}) \times \text{"Net Proceeds"}$$

WSW
ALEW

MHC and MDA must receive prior written notification of any sale, refinancing or foreclosure that occurs during the "Period of Affordability" assigned to the Property.

3. In the event of a sale of the Property during the "Period of Affordability", MDA will determine the "Maximum Recapture Amount" by using the "Pro-rata Basis". The actual amount of NSP funds to be recaptured will be based on the "Shared Net Proceeds Basis"; not to exceed the "Maximum Recapture Amount".
4. In the event of a cash-out refinancing during the "Period of Affordability", MDA will determine the "Maximum Recapture Amount" by using the "Pro-rata Basis". The NSP funds will be recaptured from the "Net Refinancing Proceeds"; not to exceed the "Maximum Recapture Amount".
5. In the event of a foreclosure, MDA shall recapture from "Net Proceeds" up to the original amount of "NSP Investment" associated with the purchase of the Property (Under foreclosure, "Pro-rata Basis" is not used in determining recapture amount). This instrument and restrictions contained herein are subordinate to the first mortgage lien against the Property.
6. The provisions of this instrument are hereby declared covenants running with the land and are fully binding on any successors, heirs, and assigns of Owner(s) who may acquire any right, title, or interest in or to the Property, or any part thereof. Owner(s), its successors, heirs, and assigns hereby agree and covenant to abide by and fully perform the provisions of this instrument.
7. Owner(s) understands and agrees that this instrument shall be governed by the laws of the State of Mississippi and regulations of the U. S. Department of Housing and Urban Development.
8. Owner(s) understands that the Property must be the Principal Residence of the Owner(s) during the Period of Affordability. In the event the Property does not remain its/their Principal Residence, the Owner(s) will be held personally liable and must repay MDA an amount equal to the "NSP Investment", reduced proportionately for every month of the Period of Affordability that the Property served as the Principal Residence of the owner(s).

WJW
AKW

9. Owner occupant understands the Period of Affordability is for a period of 10 years beginning on the date of this instrument and ending 2020. At the ending date of this instrument, this deed restriction is canceled and all HUD requirements satisfied.
10. On FHA insured mortgages, NSP program restrictions on the property shall terminate upon foreclosure, transfer in lieu of foreclosure or assignment of the FHA insured mortgage to HUD. To the extent that there are any proceeds from the foreclosure or other sale of the property by HUD remaining after the HUD insured loan is paid, the remaining proceeds shall be paid to the Mississippi Development Authority.

EXECUTED this 30 day of November, 20 10

By: William J. Walgenbach
WILLIAM J. WALGENBACH

By: Angela Renee Walgenbach

Initials
WJW
ARW

STATE OF MISSISSIPPI
COUNTY OF DESOTO

PERSONALLY appeared before me, the undersigned authority in and for the said State and County, the within named WILLIAM J. WALGENBACH and Angela Renee Walgenbach who acknowledged that he/she signed and delivered the above foregoing instrument on the day and date therein above stated as for his/her own voluntary act and deed.

Given under my hand and Official Seal, this the 30th day of November, 20 10.



Kelly H. Smith
Notary Public

My commission expires: 11/12/2011

Recapture Does Restriction
Mississippi Development Authority
NSP Program
September 2009

Initials WJW
ARW

EXHIBIT A**Description of Property**

Part of the Northeast Quarter of the Northeast Quarter of Section 20, Township 2 South, Range 5 West, DeSoto County, Mississippi, and being more particularly described as follows, to-wit:

Beginning at the Northeast Corner of said quarter section, thence run South 05 degrees 16 minutes 16 seconds East a distance of 110.01 feet along the East line of said quarter section to a point; thence run South 85 degrees 35 minutes 14 seconds West a distance of 397.73 feet to a point; thence run North 05 degrees 16 minutes 16 seconds West a distance of 110.01 feet to a point on the North line of said quarter section; thence run North 85 degrees 35 minutes 14 seconds East a distance of 397.73 feet along said North line to the Point of Beginning and containing 1.01 acres. Bearings are based on true North as determined by solar observation. The above description was written from a plat of survey by Danny S. Rutherford, P.E.L.S., dated August 5, 1994.

Also, Grantors do hereby convey and quitclaim a strip of land 110.1 feet in length and being all of the land lying between the East line of the herein above described lot and the West line of Red Banks Road, and being in Section 21, Township 2, Range 5, and DeSoto County, Mississippi.