

## Deed of Trust

## Terms

Date: May 28, 2003

Grantor: John Wayne Denison, Individually; and John Wayne Denison, as Independent Executor of the Estate of IDA BALDWIN DENISON, deceased

## Grantor's Mailing Address:

John Wayne Denison  
14071 FM 617  
Rule, TX 79547  
Haskell County

Trustee: JOE E. FORD

## Trustee's Mailing Address:

PO BOX 308  
HAMLIN, TX 79520  
Jones County

Lender: HAMLIN NATIONAL BANK, a national bank

## Lender's Mailing Address:

231 SOUTH CENTRAL  
HAMLIN, TEXAS 79520  
JONES County

## Obligation:

Note:

Date: May 28, 2003

Original principal amount: \$842,871.83

Borrower: John Wayne Denison, Individually; and John Wayne Denison, as Independent Executor of the Estate of IDA BALDWIN DENISON, deceased

Lender: HAMLIN NATIONAL BANK

Maturity date: December 1, 2003

Terms of Payment: As provided in the note.

Other Debt: This deed of trust also secures payment of any debt that Grantors may subsequently owe to Lender and that arises while Grantors own the Property.

## Property (including any improvements):

The SURFACE ESTATE ONLY of ALL of Sections 155, 156, 157, 158, 159, 167, 168, 169, 170, and the East one-half (E ½) of Section 166, Block D, H. &amp; T.C. Ry Company Survey, Stonewall County, Texas.

STATE OF TEXAS  
COUNTY OF STONEWALL  
CERTIFIED TO BE A TRUE AND CORRECT COPY  
OF THE ORIGINAL IN MY CUSTODY  
GIVEN UNDER MY HAND AND SEAL OF OFFICE  
Dated June 1 A.D., 2009  
Recorded at Vol. 89 Page 433  
COUNTY/DISTRICT CLERK OF STONEWALL CO., TEXAS  
BY Holly McHarris DEPUTY

**Prior Lien:** None, except those liens hereby renewed.

**Other Exceptions to Conveyance and Warranty:** Validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; and taxes for 2003, but not subsequent assessments for that and prior years due to change in land usage, ownership, or both.

For value received and to secure payment of the Obligation, Grantors convey the Property to Trustee in trust. Grantors warrant and agree to defend the title to the Property, subject to the Other Exceptions to Conveyance and Warranty. On payment of the Obligation and all other amounts secured by this deed of trust, this deed of trust will have no further effect, and Lender will release it at Grantors' expense.

#### **Clauses and Covenants**

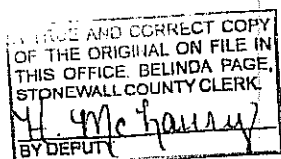
##### **A. Grantors' Obligations**

Grantors agree to-

1. keep the Property in good repair and condition;
2. pay all taxes and assessments on the Property before delinquency;
3. defend title to the Property subject to the Other Exceptions to Conveyance and Warranty and preserve the lien's priority as it is established in this deed of trust;
4. maintain, in a form acceptable to Lender, an insurance policy that-
  - a. covers all improvements for their full insurable value as determined when the policy is issued and renewed, unless Lender approves a smaller amount in writing;
  - b. contains an 80 percent coinsurance clause;
  - c. provides all-risk coverage;
  - d. protects Lender with a standard mortgage clause;
  - e. provides flood insurance at any time the Property is in a flood hazard area;
 and
  - f. contains such other coverage as Lender may reasonably require;
5. comply at all times with the requirements of the 80 percent coinsurance clause;
6. deliver the insurance policy to Lender within ten days of the date of this deed of trust and deliver renewals to Lender at least fifteen days before expiration;
7. obey all laws, ordinances, and restrictive covenants applicable to the Property;
8. keep any buildings occupied as required by the insurance policy; and
9. if the lien of this deed of trust is not a first lien, pay or cause to be paid all prior lien notes and abide by or cause to be abided by all prior lien instruments.

##### **B. Lender's Rights**

1. Lender may appoint in writing a substitute trustee, succeeding to all rights and responsibilities of Trustee.



2. If the proceeds of the Obligation are used to pay any debt secured by prior liens, Lender is subrogated to all the rights and liens of the holders of any debt so paid.

3. Lender may apply any proceeds received under the insurance policy either to reduce the Obligation or to repair or replace damaged or destroyed improvements covered by the policy. If the Property is Grantors' primary residence and Lender reasonably determines that repairs to the improvements are economically feasible, Lender will make the insurance proceeds available to Grantors for repairs.

4. Notwithstanding the terms of the Note to the contrary, and unless applicable law prohibits, all payments received by Lender from Grantors with respect to the Obligation or this deed of trust may, at Lender's discretion, be applied first to amounts payable under this deed of trust and then to amounts due and payable to Lender with respect to the Obligation, to be applied to late charges, principal, or interest in the order Lender in its discretion determines.

5. If Grantors fail to perform any of Grantors' obligations, Lender may perform those obligations and be reimbursed by Grantors on demand for any amounts so paid, including attorney's fees, plus interest on those amounts from the dates of payment at the rate stated in the Note for matured, unpaid amounts. The amount to be reimbursed will be secured by this deed of trust.

6. If there is a default on the Obligation or if Grantors fail to perform any of Grantors' obligations and the default continues after any required notice of the default and the time allowed to cure, Lender may-

a. declare the unpaid principal balance and earned interest on the Obligation immediately due;

b. direct Trustee to foreclose this lien, in which case Lender or Lender's agent will cause notice of the foreclosure sale to be given as provided by the Texas Property Code as then in effect; and

c. purchase the Property at any foreclosure sale by offering the highest bid and then have the bid credited on the Obligation.

7. Lender may remedy any default without waiving it and may waive any default without waiving any prior or subsequent default.

#### C. Trustee's Rights and Duties

If directed by Lender to foreclose this lien, Trustee will-

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then in effect;

2. sell and convey all or part of the Property "AS IS" to the highest bidder for cash with a general warranty binding Grantors, subject to the Prior Lien and to the Other Exceptions to Conveyance and Warranty and without representation or warranty, express or implied, by Trustee;

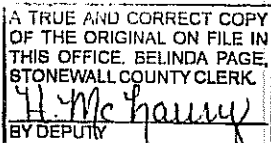
3. from the proceeds of the sale, pay, in this order-

a. expenses of foreclosure, including a reasonable commission to Trustee;

b. to Lender, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;

c. any amounts required by law to be paid before payment to Grantors; and

d. to Grantors, any balance; and



4. be indemnified, held harmless, and defended by Lender against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the trust created by this deed of trust, which includes all court and other costs, including attorney's fees, incurred by Trustee in defense of any action or proceeding taken against Trustee in that capacity.

#### D. General Provisions

1. If any of the Property is sold under this deed of trust, Grantors must immediately surrender possession to the purchaser. If Grantors fail to do so, Grantors will become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.

2. Recitals in any trustee's deed conveying the Property will be presumed to be true.

3. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

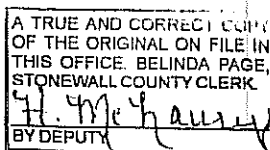
4. This lien will remain superior to liens later created even if the time of payment of all or part of the Obligation is extended or part of the Property is released.

5. If any portion of the Obligation cannot be lawfully secured by this deed of trust, payments will be applied first to discharge that portion.

6. Grantors assign to Lender all amounts payable to or received by Grantors from condemnation of all or part of the Property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the Property. After deducting any expenses incurred, including attorney's fees and court and other costs, Lender will either release any remaining amounts to Grantors or apply such amounts to reduce the Obligation. Lender will not be liable for failure to collect or to exercise diligence in collecting any such amounts. Grantors will immediately give Lender notice of any actual or threatened proceedings for condemnation of all or part of the Property.

7. Grantors assign to Lender absolutely, not only as collateral, all present and future rent and other income and receipts from the Property. Grantors warrant the validity and enforceability of the assignment. Grantors may as Lender's licensee collect rent and other income and receipts as long as Grantors are not in default with respect to the Obligation or this deed of trust. Grantors will apply all rent and other income and receipts to payment of the Obligation and performance of this deed of trust, but if the rent and other income and receipts exceed the amount due with respect to the Obligation and deed of trust, Grantors may retain the excess. If Grantors default in payment of the Obligation or performance of this deed of trust, Lender may terminate Grantors' license to collect rent and other income and then as Grantors' agent may rent the Property and collect all rent and other income and receipts. Lender neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the Property. Lender may exercise Lender's rights and remedies under this paragraph without taking possession of the Property. Lender will apply all rent and other income and receipts collected under this paragraph first to expenses incurred in exercising Lender's rights and remedies and then to Grantors' obligations with respect to the Obligation and this deed of trust in the order determined by Lender. Lender is not required to act under this paragraph, and acting under this paragraph does not waive any of Lender's other rights or remedies. If Grantors become a voluntary or involuntary debtor in bankruptcy, Lender's filing a proof of claim in bankruptcy will be deemed equivalent to the appointment of a receiver under Texas law.

8. Interest on the debt secured by this deed of trust will not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the debt.



9. In no event may this deed of trust secure payment of any debt that may not lawfully be secured by a lien on real estate or create a lien otherwise prohibited by law.

10. When the context requires, singular nouns and pronouns include the plural.

11. The term *Note* includes all extensions, modifications, and renewals of the Note and all amounts secured by this deed of trust.

12. Grantors represent to Lender that no part of the Property is exempt as homestead from forced sale under the Texas Constitution or other laws.

All real estate constituting Grantors' homestead exempt from forced sale under the Texas Constitution or other laws consists of the following: the property located at and commonly known as 14071 FM 617, Rule, Haskell County, Texas 79547.

13. Grantors agree to furnish on Lender's request evidence satisfactory to Lender that all taxes and assessments on the Property have been paid when due.

14. Lender may declare the debt secured by this deed of trust immediately payable and invoke any remedies provided in this deed of trust for default if Grantors transfer any of the Property to a person who is not a permitted transferee without Lender's consent or, if Grantors are not natural persons, if any person owning a direct or indirect interest in Grantors transfers such interest to a person that is not a "permitted transferee" without Lender's consent. "Permitted transferee" for a natural person means that person's spouse or children, any trust for that person's benefit or the benefit of the person's spouse or children, or any corporation, partnership, or limited liability company in which the direct and beneficial owner of all the equity interest is a natural person or that person's spouse or children or any trust for the benefit of them; and the heirs, beneficiaries, executors, administrators, or personal representatives of a natural person on the death of that person or on the incompetency or disability of that person for purposes of the protection and management of that person's assets; and for a person that is not a natural person, any other person controlling, controlled by, or under common control with that person.

15. Grantors agree not to grant any lien or security interest in the Property or to permit any junior encumbrance to be recorded or any claim to otherwise become an encumbrance against the Property. If an involuntary encumbrance is filed against the Property, Grantors agree, within thirty days, to either remove the involuntary encumbrance or provide a bond acceptable to Lender against the involuntary encumbrance.

16. This deed of trust binds, benefits, and may be enforced by the successors in interest of all parties.

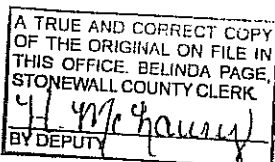
17. If Grantors and Borrowers are not the same person, the term Grantors includes Borrowers.

18. Grantors and each surety, endorser, and guarantor of the Obligation waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

19. Grantors agree to pay reasonable attorney's fees, trustee's fees, and court and other costs of enforcing Lender's rights under this deed of trust if this deed of trust is placed in the hands of an attorney for enforcement.

20. If any provision of this deed of trust is determined to be invalid or unenforceable, the validity or enforceability of any other provision will not be affected.

21. Grantors represent that this deed of trust and the Note are given for the following purposes:



The Note renews and extends the balance of Eight Hundred Twenty-Seven Thousand Eight Hundred Seventy-One and Eighty-Three Hundredths DOLLARS (\$827,871.83) that Grantors owe on a prior note in the original principal amount of Five Hundred Fifty Thousand DOLLARS (\$550,000.00), which is dated June 10, 1999, [plus other subsequent notes secured by the prior deed of trust described herein] executed by JOHN WAYNE DENISON, Individually, and as Independent Executor of the Estate of IDA BALDWIN DENISON, Deceased, and as Trustee of the Bob Marshall Denison Trust created under the terms and provisions of the Last Will and Testament of IDA BALDWIN DENISON, Deceased, and payable to the order of HAMLIN NATIONAL BANK. The prior note is secured by a deed of trust on the Property from JOHN WAYNE DENISON, Individually, and as Independent Executor of the Estate of IDA BALDWIN DENISON, Deceased, and as Trustee of the Bob Marshall Denison Trust created under the terms and provisions of the Last Will and Testament of IDA BALDWIN DENISON, Deceased to JOE E. FORD, Trustee, dated June 10, 1999 and recorded in Volume 84, Page 693 of the real property records of Stonewall County, Texas. The Note also represents Fifteen Thousand DOLLARS (\$15,000.00) in cash that Lender advanced to Grantors on May 28, 2003 at Grantors' request. Grantors acknowledge receipt of the amount advanced. Grantors acknowledge that the lien securing the prior note is valid, that it subsists against the Property, and that by this deed of trust it is renewed and extended in full force until the Note secured by this deed of trust is paid.

John Wayne Denison

John Wayne Denison, Individually

John Wayne Denison

John Wayne Denison, Independent Executor  
of the Estate of Ida Baldwin Denison,  
Deceased

STATE OF TEXAS )

COUNTY OF JONES )

This instrument was acknowledged before me on June 5, 2003, by John Wayne Denison.

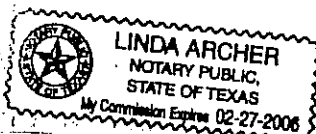


Linda Archer  
Notary Public, State of Texas

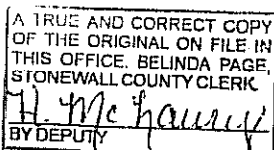
STATE OF TEXAS )

COUNTY OF JONES )

This instrument was acknowledged before me on June 5, 2003, by John Wayne Denison as independent executor of the estate of IDA BALDWIN DENISON, deceased.



Linda Archer  
Notary Public, State of Texas



Filed for record this the 6 day of June, 2003 at 9:15 o'clock A. M.  
Recorded this the 6 day of June, 2003 at 10:30 o'clock A. M.  
Belinda Page, County Clerk Cristina Ray Deputy Clerk.