



**MEMOIRS/EXHIBIT 5**

**Memoirs 9-22-24 & Exhibit 5's public information**

**PROTECTED UNDER THE WHISTLEBLOWER PROTECTION ACT OF 1989  
PETITIONED WITNESS PROTECTION PROGRAM  
& THE CONSTITUTION'S FREEDOM OF SPEECH**

**EVEN MORE FILED EVIDENCE OF THE BANK'S *USUAL* DOCUMENTED BANK FRAUD  
RACKETEERING & CAUGHT RED HANDED**

**All 3 branches of the US Gov. economic traitors' "insurrection or rebellion", now allow banks to be above the Constitution, the Rule of Law, & violated Oaths of Offices &/or Professions. As International Case Law & ethics changes' Get Out of Jail Free Cards.**

**Artho's Exhibit 5's Public Service Announcements prove beyond a shadow of a doubt;**

**Now anyone can add the CORRECT non-initialed account number altercations. To any Filed & Recorded documentation anyone so chooses & without any Party's initialed approvals whatsoever. Any economic traitor's "insurrection or rebellion" so chooses.**

**Now anyone can knowingly File & Record any Deed of Trust in the CORRECT County & knowingly File & Record the same property as being a fraudulent Deed of Trust in the WRONG County. Any economic traitor's "insurrection or rebellion" so chooses.**

**To knowingly racketeer INSIDE TRADER'S PRICE FIXING & collateralizing the same property twice & within any Federal Bankruptcy Court's proceedings &/or more. Any economic traitor's "insurrection or rebellion" so chooses.**

**Now any economic traitors can REFUSE to prosecute & collect corruption's owed Funding/Fines/Retribution, demanded under the US Constitution's Section 4 Public Debt & "authorized by law". To be paid as "bounties for services in suppressing insurrection or rebellion, shall not be questioned." To the US Treasury, SEC, & the victims thereof. Any economic traitors' REFUSALS as "insurrection or rebellion" so chosen.**

**WE'RE ALL IN THIS TOGETHER BUT  
WORLD ECONOMIC TREASON IS STILL WORLD ECONOMIC TREASON**

**Regardless of who, how, &/or why any economic traitors' "insurrection or rebellion" as that of being World ECONOMIC TREASON. Was so chosen to collapse World economies, World Stock Markets, & World bank runs thereof. The mathematical end results are in **FACT**, the same collapsed economies;**

- Regardless, if it's the US Constitution's foreign enemies of the *usual* warlords, dictators, &/or politicians' World ECONOMIC TREASON as "insurrection or rebellion". Who lead the charge of invading military forces against any Nations. While in FACT, being hellbent on collapsing World economies, as well as their own Nation's economy. Mathematically their economy's end results are in FACT, the same.
- Regardless, if it's the US Constitution's domestic enemies from within, turncoats, &/or economic traitors' World ECONOMIC TREASON as "insurrection or rebellion". Who are in FACT, hellbent on collapsing their own Nation's economy, & World economies. Mathematically their economy's end results are in FACT, the same.
- Regardless, if most Nations REFUSE to govern within their Nation's means. Who's World ECONOMIC TREASON as "insurrection or rebellion", continues to over print *\$fiat paper money's* Inflation/Overtaxation. Who are in FACT, hellbent on collapsing their own Nation's economy, & World economies. Mathematically their economy's end results are in FACT, the same;

**A POLITICIAN WALKS INTO A BAR  
BRAGGING & BUYING DRINKS ALL NIGHT LONG ON AN UNLIMITED CREDIT CARD  
WE AWAKE WITH AN ECONOMIC HANGOVER  
REALIZING IT WAS OUR CREDIT CARD - Jerry Artho**

The end results of the same World ECONOMIC TREASON, are as any economic traitor's REFUSALS of "suppressing insurrection or rebellion". Via their REFUSALS to prosecute & collect corruption's Funding/Fines/Retribution owed to the US Treasury, SEC, & to their victims. To increase the tax burden against the already overtaxed Taxpaying Commoners.

As in FACT, repeating the same violent world's same violent history over & over again. Of forcing the *usual* Taxpaying Commoners into marching into the same War's inhumanity of human sacrificing;

- Via the same lynch mob mentality, the same saber rattling, & same War's inhumanity inflicted by politician's *prior* Negative cash flow choices.
- To rape, murder & steal assets, to temporarily prop up yet another economic traitor's self inflicted & failed economy.
- While starving women, children, & the elderly to death.

**WHEN TAXPAYING COMMONERS ELECT, EMPLOY, &/or FUND  
ECONOMIC TRAITORS' "insurrection or rebellion" AS PUBLIC SERVANTS  
WHAT THE HELL DID YOU THINK WAS GOING TO HAPPEN? - Jerry Artho**

Feel free to quote Artho Economics on social medias. Gifts are welcomed via Pay Pal FiledEvidence@gmail.com please mark as "Gifts for the pain & suffering".

If you are not a Constitutional & Rule of Law intellectual, freethinker, or humanitarian. Please forward to those who are &/or simply unsubscribe.

International Consultant,  
Jerry Artho

**ARTHO'S EXHIBIT #5**

**IF the following REFUSED documentation proves to be authentic.**

**(a) Deaf Smith County Clerk's #13-0543 publicly Filed & Recorded 4-1-13 Deed of Trust. RICO felon Happy knew the CORRECT County on victim Artho's Double A.**

**(b) Randall County Clerk's #2013015432 publicly Filed & Recorded 8-16-13 Deed of Trust. RICO felon Happy ILLEGALLY publicly Filed & Recorded, in the WRONG County of Randall. RICO "Slandering the Title" on victim Artho's Double A.**

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In reference to;

**EXHIBIT #1**

**(c) Deaf Smith County Clerk's #12-1071 publicly Filed & Recorded 6-11-12 Deed of Trust. RICO felon Happy knew the CORRECT County on victim Artho's Double A.**

**EXHIBIT #3**

**Promissory Note's collateral, referring to victim Artho's Double A Deaf Smith property. RICO felon Happy's ILLEGALLY publicly Filed & Recorded, in the WRONG county of Randall.**

**EXHIBIT #11**

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**Deaf Smith County Clerk's #13-0543 publicly Filed & Recorded 4-1-13 Deed of Trust. RICO felon Happy knew the CORRECT County on victim Artho's Double A. RICO felons Happy/Burdett knew the CORRECT County of victim Artho's Double A, when publicly Filing & Recording the Posting Foreclosure Notices.**

**EXHIBIT #21**

**(3) Randall County Clerk's #2013015432 publicly Filed & Recorded 8-16-13 Deed of Trust. RICO felon Happy/Burdett/MHB ILLEGALLY publicly Filed & Recorded the BK Plan, with the WRONG County of Randall. ILLEGALLY counting victim Artho's Double A, twice under (3.) & (9.).**

**(9.) Deaf Smith County Clerk's #13-0543 publicly Filed & Recorded 4-1-13 Deed of Trust. RICO felon Happy knew the CORRECT County on victim Artho's Double A. RICO felon Happy/Burdett/MHB ILLEGALLY publicly Filed & Recorded the BK Plan, ILLEGALLY counting victim Artho's Double A, twice under (3.) & (9.).**

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In reference to;

**#49, #50, #51, #52, #53, #54, #55, & #56 counts of Racketeering.**

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**Please note;**

**RICO's multitude of felonies, ILLEGALLY publicly Filed & Recorded victim Artho's "Slandered Titles" with ILLEGAL, legal land descriptions & ILLEGALLY in the WRONG Counties.**

**RICO "Slandering victim Artho's Titles", with the "confusing" CORRECT legal land descriptions & in the "confusing" CORRECT Counties.**

**Ear marks victim Artho's "Slandered Titles" as titles set up for a Court House Step, Land & Water Grab.**

**Any seasoned banker would immediately recognize this, RICO forcing victim Artho's options of refinancing, as impossible.**



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DEED OF TRUST, SECURITY AGREEMENT AND FINANCING STATEMENT

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

THE STATE OF TEXAS § KNOW ALL MEN BY THESE PRESENTS:
COUNTIES OF ARMSTRONG & DEAF SMITH §

THAT JERRY ARTHO a/k/a Jerry Don Artho, dealing with his separate property, whose mailing address is 19310 McPherson, Bushland, Texas, 79012, herein called "Grantor" (whether one or more), in consideration of TEN AND NO/100 DOLLARS (\$10.00), in hand paid, and the debt and trust hereinafter mentioned, has Granted, Sold and Conveyed, and by these presents does Grant, Sell and Convey unto DAVID NORRIS, Trustee (herein called the "Trustee"), whose mailing address is 701 S. Taylor, Box LB 120, Amarillo, Texas 79101, and to his successors in trust, the land and property more fully described as follows, to-wit:

Tract 1: All of the North 502.1 acres, more or less, of Section No. 272, Block B-4, Certificate No. 15/3515, H&GN Ry. Co. Survey, Abstract Nos. 1350, 1351, and 1881, Save & Except the North 166.34 acres thereof, Armstrong County, Texas; and

Tract 2: The South 116 acres, more or less, of the Southeast Quarter, of Section Number 36, of Block 8, Certificate Number 37, Rusk Transportation Company, awarded to Jno. R. Goodman, Grantee, Deaf Smith County, Texas,

together with: all appurtenances, servitudes, easements, rights, rights of way, privileges, prescriptions and advantages thereunto belonging or in anywise appertaining and all buildings, fixtures, improvements, equipment and other property now or hereafter located upon said realty (hereinafter referred to collectively with the real and personal property more fully described in paragraph 3 of this Deed of Trust as the "Mortgaged Premises").

TO HAVE AND TO HOLD the Mortgaged Premises unto the Trustee forever, and Grantor hereby binds itself to warrant and forever defend the title to the Mortgaged Premises, or any part thereof, unto the Trustee against all persons whomsoever claiming or to claim the same or any part thereof.

1. Obligation. This Conveyance is made in trust, however, to secure payment and performance of all of the debts, obligations and liabilities of every kind and character of the makers of the hereinbelow described promissory note or notes to Noteholder (as hereinafter defined), now or hereafter existing, however evidenced and whether the same are direct or indirect, with or without recourse, primary or secondary, joint, several, joint and several, certain or contingent, and regardless of whether such present or future debts, obligations and liabilities arose pursuant to a commitment or may, prior to their acquisition by Noteholder, be or have been payable to, or be or have been in favor of some other person or have been acquired by Noteholder in a transaction with one other than Borrower (as hereinafter defined), including but not limited to the debts, obligations and liabilities which are more fully described as follows (hereinafter referred to separately and collectively as the "Obligation"):

(a) Certain promissory note or notes executed by the hereinbelow named maker or makers (sometimes hereinafter referred to for convenience as the "Borrower" which term shall refer separately and collectively to said maker or makers and the obligors, if any, enumerated above) payable to the order of HAPPY STATE BANK, being the Secured Party, and hereinafter called the "Noteholder" at 701 S. Taylor, Box LB 120, Amarillo, Texas 79101, which is Noteholder's mailing address, each bearing interest and being payable as therein provided, containing an attorneys' fees clause and being more specifically described by maker, date, original principal amount and final maturity as follows: Promissory Note dated December 26, 2012, executed by Jerry Artho, in the original principal amount of \$444,000.00, and having a final maturity date of December 26, 2032.

(b) All debts, obligations and liabilities arising pursuant to the provisions of this Deed of Trust or any loan agreement, mortgage, deed of trust, security agreement or other instrument or agreement now or hereafter evidencing, securing or relating to the Obligation or any portion thereof.

(c) All costs and expenses incurred by Noteholder including reasonable attorney's fees in connection with the collection of any indebtedness or enforcement of any obligation secured hereby including costs, expenses and other amounts expended by Noteholder for the purposes of preserving, protecting or realizing upon the value of any lien, security interest, guaranty or other security now or hereafter given for the payment or performance of the obligations whether such security is furnished by Borrower or another and whether covenants pertaining thereto are of the Borrower or another.

(d) Any and all renewals, extensions, increases, increases in interest rate, changes in form, re-amortizations and other modifications of the Obligation, together with interest accrued or to accrue thereon at the agreed rate or, if no rate is agreed upon, 18% per annum.

IT IS EXPRESSLY CONTEMPLATED BY THE GRANTOR AND NOTEHOLDER THAT ADDITIONAL DEBTS, OBLIGATIONS AND LIABILITIES OF BORROWER TO NOTEHOLDER MAY FROM TIME TO

TIME BE OUTSTANDING AND THAT SUCH FUTURE DEBTS, OBLIGATIONS AND LIABILITIES ARE INTENDED TO BE SECURED HEREBY TO THE SAME EXTENT AS IF THE SAME WERE SPECIFICALLY DESCRIBED AND REFERENCED HEREBIN.

2. Subsequent Advances. To the extent permitted by law, it is expressly contemplated by Grantor that the lien created by this Deed of Trust shall continue in full force and effect prior to the release of record of the lien created hereby, notwithstanding a period or periods of time in which the Borrower may not be indebted to the Noteholder. Following execution and delivery of this Deed of Trust, the rights of any other person, firm or corporation which may acquire any right, title, lien or interest in any of the Mortgaged Premises, or any part thereof, shall be subordinate and inferior to the rights and liens of the Noteholder to the full extent of the Obligation as then or hereafter existing, and the Noteholder shall be fully authorized to extend further credit to the Borrower secured by this prior Deed of Trust without the consent of any other person, firm or corporation and to renew, extend, increase, increase the interest rate, re-amortize or otherwise modify the terms of all or any portion of the Obligation without the consent of any other person, firm or corporation.

3. Additional Security. As additional security for payment and performance of the Obligation, Grantor transfers and assigns to Noteholder all equipment, inventory, fixtures, general intangibles, instruments, documents, accounts receivable and other property of any nature whatsoever which may now or hereafter be located on or used or intended to be used in connection with the real property herein described, the improvements now or hereafter existing thereon, the renting, letting or operating thereof or the business conducted with respect thereto and all replacements and substitutions therefor, additions and accessions thereto and proceeds and products thereof, all whether now owned or hereafter acquired including without limitation the following:

(a) All building supplies and materials and equipment, indoor and outdoor furnishings, office equipment, wall and in-a-door beds, boilers, furnaces, heaters, stoves, ranges, ovens, gas and electric appliances and fixtures and lighting devices (including refrigerators, dishwashers, ice boxes, fans, water heaters, disposals, washers and dryers, trash compactors and water softeners), construction and maintenance equipment, tools and machinery, entertainment, recreational and fitness equipment and apparatus, refrigerating and heating and other air conditioning apparatus, alarm systems, monitoring devices and systems, chandeliers, lamps, floor and wall coverings, elevators, screens, doors, storm windows and doors, awnings, blinds, window shades, curtains, draperies, valances and drapery rods and brackets, gas and oil tanks and equipment, pipes, wires, plumbing, sprinkler systems, dynamos, incinerators, lawn plants and shrubbery, signs and advertising equipment, counters, display equipment, cabinets, and professional equipment and supplies; provided, however, that the lien and security interest hereof shall not cover any of the foregoing described items or types of personal property owned by tenants or subtenants of Grantor except to the extent of any interest of Grantor therein.

(b) All judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of all or any part of the Mortgaged Premises under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Mortgaged Premises or any part thereof, or to any rights appurtenant thereto including insurance and other proceeds payable as a result thereof.

(c) All leases, subleases, and rental contracts which have been and which may hereafter be executed covering all or any part of the Mortgaged Premises, together with all rentals and income accruing therefrom, and all other rents, issues and profits of the Mortgaged Premises.

(d) All commitments for permanent financing of the Mortgaged Premises, all contracts and agreements for the sale or transfer of all or any portion of the Mortgaged Premises, and all other contracts, rights, licenses and permits related to the Mortgaged Premises, the financing, sale, or other disposition thereof or the renting, letting or operating thereof including without limitation all contracts for maintenance, cleaning, extermination of insects and vermin, refuse or garbage removal, landscaping, security and management.

(e) All promotional material, market studies, tonant data, and business records arising from or relating to the Mortgaged Premises and the renting, letting or operating thereof.

(f) All funds of Grantor which may be deposited with Noteholder from time to time.

Grantor hereby directs payment of any and all amounts which may now or hereafter become due and payable to Grantor by virtue of any of the interests described in the above subparagraphs to Noteholder to be applied to the Obligation, whether due or not, until paid and either before or after any default under the terms of this Deed of Trust. Noteholder is hereby authorized and appointed Grantor's attorney-in-fact for the purpose of enforcing any right, privilege or other interest of Grantor under any of the foregoing described interests and may endorse any instrument or document and execute and deliver any judgments, awards, division orders, releases, receipts, leases or rental contracts, agreements or any instrument in modification of any of the foregoing or in settlement of any claim arising from any of the foregoing to the extent covered hereby, all in Grantor's name or as assignee of Grantor, as Noteholder may elect; provided, however, that Noteholder shall have no obligation to take any of such action except as it may elect in its sole discretion.

4. Subrogation. To the extent the proceeds of the Obligation are utilized to take up any outstanding liens or claims against the Mortgaged Premises, or any portion thereof, the Noteholder shall be subrogated to any and all rights, superior titles, liens, and equities owned or claimed by the owner or holder of such liens and debts, regardless of whether said liens or debts are acquired by the Noteholder by assignment or are released by the holder thereof upon payment. Grantor hereby requests Noteholder to make such advances and represents such liens or claims to be valid and enforceable against the Grantor.

5. Covenants. Grantor further covenants and agrees that:

(a) Grantor will pay or cause to be paid the Obligation and will perform and satisfy or cause to be performed and satisfied the Obligation in accordance with the terms thereof. Except as expressly stated below, Grantor warrants and represents that Grantor is seized of the Mortgaged Premises and is entitled to convey, assign and mortgage the same. Grantor will make such further assurance of title as may be required by Noteholder to fully confirm to the Trustee the title to the Mortgaged Premises.

(b) All of the property described in paragraph 3(a) of this Deed of Trust, and all goods, chattels and personal property as are ever furnished by landlords in letting or operating an unfurnished building, or which are or shall be attached to improvements to the real property herein described by nails, screws, bolts, pipe connections, adhesives, masonry or in any other manner, and all additions and accessions thereto and replacements and substitutions therefor, are and shall be deemed to be fixtures and accessions to said real property, being hereby agreed to be immovables and a part of the realty as between the parties hereto.

(c) Grantor will pay (prior to delinquency) all ground rents, taxes and assessments levied or assessed upon the Mortgaged Premises, or upon the interest created therein by this Deed of Trust, and exhibit the receipts therefor to the Noteholder, and will defend the title and possession of the Mortgaged Premises to the end that this Deed of Trust shall be and remain a valid lien on the Mortgaged Premises until the Obligation is paid which is subject to no prior liens, security interests or other encumbrances upon or exceptions to title other than those, if any, specifically enumerated herein or otherwise approved in writing by Noteholder. The word "assessments" as used in this Deed of Trust, whether in this paragraph or elsewhere, shall include not only assessments by political subdivisions, but also maintenance charges, regular assessments and special assessments assessed by subdivision restrictions, homeowner's declarations for planned unit developments and assessments by condominium agreements, if any. Upon furnishing the Noteholder with a bond or other security satisfactory to Noteholder, Grantor shall have the right, however, to contest in good faith the validity or amount of any such ground rents, taxes or other assessments by appropriate proceedings timely instituted, if Grantor diligently prosecutes such contest and shall promptly pay any valid, final judgment enforcing any such ground rents, taxes or other assessments and shall cause the same to be satisfied of record.

(d) Grantor will keep all insurable Mortgaged Premises insured for the protection of the Noteholder against any loss or damage by fire, lightning, wind, storm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke, vandalism and malicious mischief, other risks and hazards included within the term "extended coverage", war risks (as, when and to the extent insurance against war risks is obtainable from the United States of America or any agency thereof, and such other risks and hazards as Noteholder may require, in amounts approved by Noteholder not less than one hundred percent (100%) of the full replacement value thereof and which coverage shall not contain a co-insurance clause, together with policies of liability insurance, rent loss insurance, flood and mudslide insurance (or evidence satisfactory to Noteholder that the Mortgaged Premises are not located in an area designated by the Secretary of Housing and Urban Development as an area having special flood or mudslide hazards and that flood insurance is not required under the terms of any law, regulation or rule governing Grantor's or Noteholder's activities) and other insurance policies insuring against any other risk Noteholder may require. All such insurance must name Noteholder as the mortgagee loss payee. Grantor shall keep the policies therefor, properly endorsed, on deposit with the Noteholder. If renewal policies are not delivered to the Noteholder 10 days before the expiration of the existing policy or policies, with evidence of premiums paid, the Noteholder may, but is not obligated to obtain the required insurance on behalf of Grantor (or insurance in favor of the Noteholder alone) and pay the premiums thereon. Grantor assigns to Noteholder all right and interest in all such policies of insurance and authorizes the Noteholder to collect for, adjust or compromise any losses under any insurance policy on the Mortgaged Premises. Loss proceeds (less expense of collection) shall, at the Noteholder's option, be applied on the Obligation, whether due or not or to the restoration of the Mortgaged Premises, or be released to Grantor, but such application or release shall not cure or waive any default.

(e) If requested by the Noteholder, Grantor will pay to the Noteholder, in addition to the monthly payments of principal and interest payable under the terms of the Note, on the same day as the principal and interest installments are due and payable, a sum equal to one-twelfth of the estimated annual ground rents, taxes, assessments, and insurance premiums, including hazard, property and mortgage insurance premiums. Next to become due on or in respect of the Mortgaged Premises, in such amounts as the Noteholder from time to time estimates as necessary in order that the Noteholder will have sufficient funds on hand to pay said ground rents, taxes, assessments and insurance premiums thirty (30) days before the due date thereof. In addition, Noteholder may, at any time, collect and hold an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to such escrow account sets a lower amount. The Grantor further agrees to furnish the Noteholder with bills in sufficient time to pay the said ground rents, taxes and assessments before penalty attaches and the insurance premiums before the policies lapse, and to immediately pay to the Noteholder any deficit from the funds held by the Noteholder in order to fully pay said ground rents, taxes, assessments, and insurance premiums as aforesaid. It is specifically understood and agreed that moneys so paid may be held by the Noteholder or by Noteholder's agent and unless prohibited by applicable law, shall not bear interest, shall not be trust funds, shall not be assignable or refundable until the Obligation has been paid in full, may be commingled by the Noteholder with its general funds or by Noteholder's agent with its general funds with no liability to pay interest thereon, and that the Noteholder may make payments therefrom for said purposes at its discretion, even though subsequent owners of the Mortgaged Premises may benefit thereby. It is further specifically understood and agreed that in the event of any default under this Deed of Trust, any part or all of the funds so held by the Noteholder may be applied by the Noteholder at its option, on account of the Obligation and in refunding any part of the funds so held, the Noteholder may deal with whomsoever is represented to be the owner of the Mortgaged Premises at that time.

(f) Grantor will not commit or permit any waste on the Mortgaged Premises and will keep the Mortgaged Premises in sound condition and in good repair and will neither do nor permit to be done anything to the Mortgaged Premises that may impair the value thereof and the Noteholder shall have the right of entry upon the Mortgaged Premises at all reasonable times for the purpose of inspecting the same.

(g) Grantor will pay when and as due all claims or charges of mechanics and materialmen supplying materials or labor in connection with the construction of improvements upon the Mortgaged Premises and shall keep the Mortgaged Premises free of any mechanic's or materialmen's lien arising as a result of construction upon the Mortgaged Premises except to the extent that amounts secured by such liens are not yet due and payable. Provided, however, that upon furnishing the Noteholder with a bond or other security satisfactory to Noteholder, Grantor shall have the right to contest in good faith the validity or amount of any such claims or charges.

(h) Until the Obligation is paid in full, Grantor will not enter into any lease or rental contract for all or a portion of the Mortgaged Premises unless the lease or rental contract provides by its own terms that it shall be subordinate to the lien created by this Deed of Trust and by any deed of trust or other instrument securing payment of any debt upon the Mortgaged Premises, the proceeds of which are used to pay the Obligation, and provides that the lessee thereunder shall attorn to the holder of any prior lien in the event of foreclosure thereunder and unless Grantor shall have first obtained the written consent to such lease from Noteholder.

(i) Until the Obligation is paid in full, Grantor will not enter into any contract for sale or contract for option to purchase all or any portion of the Mortgaged Premises unless such contract or option provides by its own terms that it shall be assignable to and enforceable by the Noteholder and unless Grantor shall have first obtained the written consent to such agreement from the Noteholder.

(j) If Grantor's title to all or any part of the Mortgaged Premises or the validity or lien priority of this Deed of Trust, or of any rights, titles or interests created or evidenced hereby with respect to the Mortgaged Premises, or any part thereof, shall be endangered or questioned, or shall be attacked directly or indirectly, or if any legal proceedings are instituted against Grantor or the Noteholder with respect thereto, Grantor will promptly give written notice thereof to the Noteholder and at Grantor's own cost and expense, endeavor diligently to cure any material defect that may be developed or claimed and take all necessary and proper steps for the defense of such legal proceedings, including but not limited to, the employment of counsel, the prosecution or defense of litigation, and the release or discharge of all adverse claims. In such event, the Noteholder (whether or not named as a party to legal proceedings with respect thereto) is hereby authorized and empowered to take such additional steps as in its discretion may be necessary or proper for the defense of any such legal proceedings, including but not limited to the employment of independent counsel, intervention in any such pending suit, the prosecution or defense of litigation and the compromise or discharge of any adverse claim made with respect to the Mortgaged Premises, and Noteholder shall be subrogated to all rights of any person receiving payment from Noteholder, and further, Grantor shall indemnify and hold Noteholder harmless from all costs, expenses and liability it shall incur or suffer on account of the failure of title to all or any part of the Mortgaged Premises or the failure or inability of Grantor for any reason to convey the rights, titles and interests which this Deed of Trust purports to convey, and all amounts at any time payable by Grantor hereunder shall be payable on demand and shall bear interest at the rate of 18% per annum from the date incurred until paid and shall be secured by the lien hereof.

(k) From time to time Grantor will promptly furnish to the Noteholder such financial statements and reports relating to Grantor and Borrower and the business affairs of Grantor and Borrower and the operation of the Mortgaged Premises as Noteholder may reasonably request.

(l) If Grantor is a limited partnership, limited liability company, general partnership or corporation, Grantor will continuously maintain Grantor's existence, and its rights to do business in the State of Texas and in each other state where the nature of Grantor's business requires licensing or authorization and furnish Noteholder with evidence thereof.

(m) Grantor will keep accurate books and records in accordance with sound accounting principles in which full, true and correct entries shall be promptly made as to all operations on the Mortgaged Premises, and all such books and records shall at all times during reasonable business hours, be subject to inspection by Noteholder and its duly authorized representatives.

(n) Grantor will promptly correct any defect, error or omission which may be discovered in the contents of this Deed of Trust or in the execution or acknowledgment thereof, and execute and deliver any additional deed of trust, mortgage or other instruments as may be requested by Noteholder to correct such defect, error or omission or if necessary to provide notice of the lien created hereby with respect to any of the Obligation, or to identify any additional property which is or becomes subject to this Deed of Trust, and at any time and from time to time, upon request by the Noteholder, Grantor will forthwith at Grantor's expense, execute and deliver to the Noteholder, any and all additional instruments and further assurances as may be necessary or proper, in the Noteholder's opinion, to effect the intent of these presents.

(o) Upon demand, Grantor will pay or will cause Borrower to pay all appraisal fees, recording fees, taxes, abstract fees, attorneys' fees and all other costs and expenses of every kind or character incurred by Grantor, Borrower or Noteholder in connection with the making and closing of the financing transactions secured hereby, and reimburse Noteholder for all expenses incurred by it and indemnify and hold harmless the Noteholder from and against all claims, demands, liabilities and causes of action asserted against it on account of any act performed or permitted to be performed hereunder or on account of any transaction arising out of or in any way connected with the Mortgaged Premises or the Obligation, save and except for their willful



misconduct. Interest shall accrue on all amounts due and payable hereunder to the Noteholder from and after the date of demand for payment at a rate of 18% per annum.

(p) Upon request of Noteholder, Grantor shall require each tenant or subtenant of the Mortgaged Premises to execute and deliver to Grantor a financing statement pursuant to the terms of Section 9.408 of the Texas Business and Commerce Code. Each such financing statement and the security interest, if any, evidenced thereby shall be assigned by Grantor to Noteholder.

6. Change of Ownership. In the event the ownership of the Mortgaged Premises, or any part thereof, becomes vested in a person other than Grantor, the Noteholder may, without notice to Grantor, deal with such successor or successors in interest with reference to the Mortgaged Premises, any funds held by Noteholder hereunder, this Deed of Trust, and the Obligation, all in the same manner as with Grantor without in any way violating or discharging Grantor's liability hereunder or upon the Obligation, if any. No sale of the Mortgaged Premises and no forbearance on the part of the Noteholder and no extension of the time for the payment of the Obligation or performance of the Obligation, given by the Noteholder, shall operate to release, modify, change, or affect the original liability of Grantor, either in whole or in part. This paragraph shall not be deemed to authorize a change in ownership upon terms other than as set forth in paragraph 13(g).

7. Partial Release and Indulgence. The Noteholder hereunder may at any time and from time to time without notice to or consent of Grantor, Borrower or any endorser, guarantor or obligor of the Obligation, (a) waive compliance with any covenant made by Grantor, Borrower or such other person; (b) consent to any act which Grantor, Borrower or such other person is prohibited from doing, or to any failure to do any act which is required; (c) release any part of the Mortgaged Premises, or any interest therein, or any proceeds from the lien of this Deed of Trust; or (d) release any other security or collateral held as security for the Obligation or release any person or entity from all or any portion of the liability for payment thereof or performance. No such act shall in any way impair the lien hereof, the rights of Noteholder hereunder or the liability of any person except to the extent specifically and expressly agreed to by Noteholder in writing. Furthermore, the lien and other security rights of Noteholder hereunder shall not be impaired by any indulgence including but not limited to (a) any renewal, extension or modification which the Noteholder may grant with respect to any of the Obligation, or (b) any surrender, compromise, release, renewal, extension, exchange or substitution which Noteholder may grant in respect of any item of the Mortgaged Premises or any part thereof or any interest therein, or (c) any release or indulgence granted to the Grantor, Borrower or any endorser, guarantor or of any of the Obligation. Any agreement of Noteholder with any party obligated on the Obligation, or having any interest in the Mortgaged Premises, to extend the time for payment of any part or all of the Obligation, shall extend the lien hereof as against the title of all parties having any interest in the Mortgaged Premises, which interest is subject to this Deed of Trust.

8. Appraisal and Redemption Laws. Grantor waives the benefit of all laws now existing or that hereafter may be enacted providing for (i) any appraisal before sale of any portion of the Mortgaged Premises, commonly known as Appraisal Laws, and (ii) the benefit of all laws that may be hereafter enacted in any way extending the time for the enforcement of the collection of said debt or creating a period of redemption from any sale made in collecting said debt, commonly known as Stay Laws and Redemption Laws.

9. Ground Rents, Liens or Claims. Noteholder may, at Noteholder's option, without demand or notice and without waiver of any right, pay or discharge any rental, lien or claim upon the Mortgaged Premises or pay any delinquent tax or assessment, and, upon such payment, Noteholder shall be subrogated respectively to the rights of the ground lessor of the Mortgaged Premises, the holder of such lien or claim or to the rights of the taxing authority. Noteholder may advance any unpaid insurance premiums, and whenever Grantor has failed properly to maintain the improvements, Noteholder may make repairs necessary for the proper preservation of the security. Grantor agrees to pay to Noteholder, upon demand, any and all disbursements made under the provisions of this Deed of Trust, together with interest thereon at the rate of 18% per annum from the respective dates of such disbursements, and all such disbursements shall become a part of the debt, payable at the office of the Noteholder in Amarillo, Potter County, Texas, and shall be secured by this Deed of Trust.

10. Partial Payment. Acceptance by the Noteholder of any payment in an amount less than the amount then due on the Obligation shall be deemed an acceptance on account only, and the failure to pay the entire amount then due shall be and continue to be a default. At any time thereafter, until the entire amount then due on said debt has been paid, Noteholder shall be entitled to exercise all rights conferred upon it in this instrument upon the occurrence of a default.

11. Terms of Trust. If the Grantor or Borrower shall well and truly pay and discharge the Obligation as and when the same shall become due and payable, whether by extension, acceleration, or otherwise, and shall fully and punctually perform the Obligations and comply with all of the terms and provisions of this Deed of Trust, then and in that event only, this Deed of Trust shall be and become null and void, and shall be released at Grantor's request and expense, otherwise it shall remain in full force and effect; provided that, no such release shall modify, release or impair Grantor's warranties or indemnities contained herein.

12. Security Agreement. This Deed of Trust shall constitute a Security Agreement under the Texas Business and Commerce Code (the "Uniform Commercial Code") of the State of Texas with respect to the Mortgaged Premises and the Noteholder shall be entitled to all of the rights of a Secured Party. This Deed of Trust as a financing statement covers fixtures as more fully described herein and related to the Mortgaged Premises, and it is intended that as to those goods and the proceeds thereof, this Deed of Trust shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the land is located. It is expressly agreed that if upon default the Noteholder should proceed to dispose of any portion of the Mortgaged Premises in accordance with the provisions of the Uniform Commercial Code, ten (10)

days' notice by the Noteholder to the Grantor shall be deemed to be reasonable notice under any provision of the Uniform Commercial Code requiring such notice; provided, however, that the Noteholder may, at its option, dispose of the Mortgaged Premises or any portion thereof in accordance with the Noteholder's rights and remedies in respect of the real property constituting a portion of the Mortgaged Premises pursuant to the provisions of this Deed of Trust in lieu of proceeding under the Uniform Commercial Code. The Grantor will, from time to time and as often as requested by the Noteholder, execute and deliver to the Noteholder such financing statements, renewal affidavits, continuation statements, inventories or other similar documents as the Noteholder may reasonably request to perfect the security interest created hereby. No failure or omission of the Noteholder to request any financing statement, renewal affidavit, continuation statement, inventory, or the like, and no failure or omission of the Grantor to execute or deliver any thereof, will impair the effectiveness or priority of the security interest created by this Deed of Trust. The Grantor will pay all costs of filing this Deed of Trust and any financing statements, continuation or termination statements with respect thereto, and any affidavits or other instruments executed, or to be executed, to perfect, renew, continue or maintain the lien and security interest created hereby. The Grantor hereby appoints the Noteholder, or its officers, as the agent and attorney-in-fact of the Grantor to do, at the Noteholder's option and the Grantor's expense, all acts and things reasonably necessary to perfect, and continue perfected, the lien and security interest created hereby. In the event of foreclosure sale of personal property in which the Noteholder holds a security interest granted herein or in any security agreement or other instrument given to secure all or any portion of the Obligation, whether such sale be held by the Noteholder hereunder, by judicial foreclosure, or otherwise, such sale may be of the whole of such property or any portion thereof and may be held together with or separately from any foreclosure sale of the real property securing said indebtedness. Such personal property need not be present at the place of sale.

13. Events of Default. Occurrence of any of the following events or conditions shall constitute an Event of Default hereunder:

(a) If the Grantor or Borrower should fail to pay or cause payment of the Obligation or any part or installment thereof as and when the same shall become due and payable, whether by demand, acceleration, extension or otherwise.

(b) If the Grantor or Borrower should fail to keep, observe, or perform the Obligation or comply or cause compliance with any term, provision or covenant enjoined upon the Grantor or Borrower by the terms of this Deed of Trust or any other instrument or agreement evidencing, securing or related to the Obligation.

(c) If Noteholder shall determine that any warranty, representation or statement made or furnished to the Noteholder by or on behalf of the Grantor, Borrower or any guarantor of any portion of the Obligation was false or misleading in any material respect when made or furnished.

(d) Breach of any covenant, agreement or condition contained in any loan agreement, mortgage, deed of trust, security agreement, collateral pledge agreement or assignment covering the Mortgaged Premises or any part thereof, or if the holder of any such mortgage, lien or security interest upon the Mortgaged Premises or any part thereof shall institute any foreclosure proceeding.

(e) If any Grantor, Borrower or any guarantor of any portion of the Obligation should die, become insolvent, admit in writing an inability to pay debts as they mature, or make an assignment for the benefit of creditors, or if a receiver, trustee, conservator or liquidator be appointed for Grantor, Borrower or any such guarantor or for any substantial part of any such person's property or affairs, or should any such person petition or apply to any court or tribunal for any receiver, trustee, conservator or liquidator for such person's property or affairs, or should any proceeding be commenced by or against any such person under any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or should the Grantor, Borrower or any such guarantor indicate by any act such person's consent to, approval of, or acquiescence in any such proceeding, application or petition, or should a third person commence any such proceeding, file a petition or make such application, and, if such action be taken involuntarily, such filing, application or proceeding is not vacated, set aside, discharged or bonded within thirty (30) days after the occurrence of such event.

(f) The entry of a judgment against any Borrower, Grantor or guarantor of any part of the Obligation which Noteholder in its sole discretion deems to be of a material nature, or if any levy, seizure, execution, replevin, or attachment should be issued or commenced against the property of Grantor, Borrower or any guarantor of all or any portion of the Obligation and remain unsatisfied for a period of ten (10) days.

(g) If Grantor should, directly or indirectly, mortgage, pledge, grant a security interest or otherwise encumber the Mortgaged Premises or any part thereof, or sell, contract to sell, transfer, convey, alienate, assign or voluntarily or involuntarily permit or suffer the Mortgaged Premises or any part thereof to be mortgaged, pledged, encumbered, sold, transferred, assigned, leased for a period in excess of one (1) year, alienated or conveyed, without the prior written consent of the Noteholder. This provision shall apply to each and every sale, agreement to sell, transfer, conveyance, lease, alienation, assignment, mortgage, pledge, security interest or encumbrance regardless of whether or not the Noteholder consented to or waived its rights hereunder whether by action or non-action in connection with any previous transaction or occurrence whether one or more. Grantor acknowledges that Noteholder may condition such consent upon any factors deemed appropriate by it including, without limitation, the financial stability and general credit-worthiness of the transferee, the management capabilities and business and capital resources of the transferee; and the relation between the interest rate and yield of the Obligation and the prevailing market rate for loans of similar types and amounts at the time such consent is requested, and may condition such consent upon reduction of the Obligation and receipt of additional economic benefits, including but not limited to, transfer fees, and increased interest rate.

(h) If Grantor or Borrower (if the same are not natural persons) should be dissolved or terminated as a going concern under any law now or hereafter in effect or if any change in the ownership of Grantor or Borrower or Grantor's or Borrower's capital structure should occur which would affect the management or control of Grantor or Borrower, without the prior written consent of Noteholder. This provision shall apply to each and every such event, whether or not the Noteholder previously consented to or waived its rights hereunder, whether by action or non-action in connection with any previous change. Grantor acknowledges that the Noteholder may condition such consent upon any factors deemed appropriate by it including, without limitation, the cumulative effect of past changes in ownership and capital structure and the effect such changes have on the financial stability and general credit-worthiness of Grantor and Borrower as well as Grantor's and Borrower's management capabilities and business and capital resources following such change, and the relation between the interest rate and yield of the Obligation and the prevailing market rate for loans of similar types and amounts at the time such consent is requested. The Noteholder may condition such consent upon reduction of the Obligation and receipt of additional economic benefits, including but not limited to, principal reductions, transfer fees and increased interest rate.

(i) If Noteholder determines that a material adverse change has occurred in the financial condition of any Borrower, Grantor or guarantor of any part of the Obligation.

(j) If any guarantor of any portion of the Obligation should voluntarily or involuntarily revoke or terminate such guarantor's guarantee of the Obligation.

(k) If the Note described in paragraph 1(a) hereof or this Deed of Trust or any other instrument executed as security for the payment of the Obligation ceases to be in full force and effect (including failure of any collateral document to create or continue to be a valid and perfected security interest or lien) at any time for any reason.

In any such event or events, the Noteholder shall be entitled to exercise any or all remedies provided in this Deed of Trust or by law or in equity.

14. Remedies. The following rights and remedies shall be available to the Noteholder:

(a) Upon the occurrence of an Event of Default, the whole of the Obligation shall become immediately due and payable, at the election of the Noteholder, without notice or demand other than that demand or notice provided for herein. In any such event, the Noteholder shall be entitled to exercise any or all remedies provided in this Deed of Trust or by law or in equity. All rights, remedies or powers conferred by this Deed of Trust upon the Noteholder shall be deemed cumulative of any other rights, remedies or powers available. Any such right, remedy or power may be exercised from time to time, independently or concurrently, and as often as shall be deemed expedient by Noteholder.

(b) Upon the occurrence of an Event of Default, the Trustee, when requested by the Noteholder acting at its option, which request shall be presumed to have been made, shall sell the Mortgaged Premises or any portion thereof at public auction to the highest bidder for cash between the hours of 10:00 A.M. and 4:00 P.M. on the first Tuesday in any month, at the Designated Area (hereinafter defined) of the Courthouse in the county in which such portion of the real property which comprises the Mortgaged Premises which is to be sold, or any part thereof, is situated, after advertising the time, place and terms of said sale and the Mortgaged Premises or portion thereof to be sold by posting, or causing to be posted, at least twenty-one (21) days prior to the date of said sale, written or printed notice thereof at the Courthouse door in each of the counties in which such portion of the real property which comprises the Mortgaged Premises is situated (such notice shall set forth the county where such portion of the real property which comprises the Mortgaged Premises will be sold, shall set forth the area at the courthouse where the sale covered by that notice is to take place, and shall set forth the earliest time at which the sale will occur) and by filing a copy of such notice in the Office of the County Clerk of the county in which the sale is to be made and in each county where such real property is situated at least twenty-one (21) days preceding the date of sale. The term "Designated Area" shall mean (1) the area designated by the commissioner's court of the county where the sale is to take place as the area at the courthouse of such county (the county where the sale is to take place) where sales are to take place, or (2) if no area is designated by the commissioner's court of the county where the sale is to take place, the area designated in the notice of sale as the area at the courthouse of such county (the county where the sale is to take place) where the sale covered by that notice is to take place. In addition, at least twenty-one (21) days preceding the date of sale, written notice of the proposed sale shall be served by certified mail on each debtor obligated to pay the Obligation according to the records of Noteholder. Service of such notice by certified mail is complete when the notice is deposited in the United States mail, postage prepaid and addressed to the debtor at the debtor's last known address as shown by the records of the Noteholder. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of service. The Grantor authorizes and employs the Trustee to sell the Mortgaged Premises, both realty and personalty, as a whole, or in such lots or parcels as the Trustee shall deem expedient, to execute and deliver to the purchaser or purchasers thereof good and sufficient deeds of conveyance thereto by fee simple title, with covenants of general warranty (and the title of such purchaser, or purchasers, when so made by the Trustee, the Grantor binds itself to warrant and forever defend) and to receive the proceeds of said sale which shall be applied as follows: (1) to all reasonable costs and expenses of the sale, including but not limited to reasonable Trustee's fees and attorney's fees and costs of title evidence; (2) to all sums secured by this Deed of Trust; and (3) the excess, if any, to the Grantor or such other person or persons entitled thereto by law; provided, however, that nothing contained herein shall be deemed to require the giving of notice with respect to, or the sale of, personal property in the manner provided in this paragraph, but rather, in the sale or other disposition of such personal property, the Noteholder may, at its option, sell or dispose of said personal property pursuant to the terms of paragraph 12 of this Deed of Trust and the Texas Business and Commerce Code, or may act pursuant to the terms of this paragraph 14(b), or may proceed with any other remedy available at law or in equity, as the Noteholder may desire. The Noteholder shall have the

right to become the purchaser at all sales to enforce this trust, being the highest bidder, and to have the amount for which such property is sold credited on the Obligation.

(c) Upon the occurrence of an Event of Default, the Noteholder shall have the option to proceed, without declaring the whole debt due, with any remedy provided hereunder, or at law or in equity, and may institute foreclosure in satisfaction of such items, either through the courts or to proceed as if under a foreclosure, conducting the sale as herein provided. If the sale is made because of such default, the sale may be made subject to any portion of the Obligation, matured or unmatured. The sale, if so made, shall not in any manner affect any remaining portion of the Obligation, but, as to such indebtedness, this Deed of Trust shall remain in full force as though no sale had been made under the provisions of this paragraph. Several sales may be made without exhausting the right of sale for any remaining part of said debt, the purpose being to provide for a foreclosure and sale of the Mortgaged Premises for any portion of said debt without exhausting the power of foreclosure and right to sell the Mortgaged Premises for any other part of said debt whether matured at the time or subsequently maturing.

(d) Notwithstanding anything contained in this Deed of Trust to the contrary, in the event the legal requirements related to the foreclosure of real or personal property in the State of Texas are changed, this Deed of Trust shall be deemed amended to the extent necessary to comply with such changes and the Noteholder shall conduct such foreclosure in compliance with such legal requirements.

(e) In case of any sale hereunder, all prerequisites to this sale shall be presumed to have been performed, and in any conveyance given hereunder, all statements of fact or other recitals therein made as to the nonpayment of money secured or as to the request to the Noteholder to enforce this trust, or as to the proper and due appointment of any substitute Trustee, or as to the advertisement of sale or time, place and manner of sale, or as to any other preliminary fact or thing, shall be taken in all courts of law or equity as prima facie evidence that the facts so stated or recited are true.

(f) Upon the occurrence of an Event of Default, the Trustee may, without notice, at its option, take one or more of the following actions: (1) take possession of the Mortgaged Premises, (2) manage the same for the account of Grantor, (3) collect all income and profits arising from the Mortgaged Premises, and deduct from the income profits and rents all expenses and apply the remainder to the Obligation, or (4) have a receiver appointed by a court of competent jurisdiction to take possession of the Mortgaged Premises and collect the rents, issues and profits arising from the Mortgaged Premises. This right is created by this contract and is cumulative of and shall not affect in any way the right of the Noteholder given by law to the appointment of a receiver.

(g) Upon the occurrence of an event of default, the Noteholder may, and is hereby authorized, but not obligated, at its option and without notice, to do in Grantor's behalf and in Grantor's name all things necessary for completion of the improvements to be constructed hereunder, and to take any other action in its judgment deemed necessary to protect the improvements so that the same will not suffer from vandalism or depredation or the weather or to complete construction of such improvements and furnish same so that it can be used for the purpose for which it is designated under the plans and specifications submitted to and approved by Noteholder. Noteholder's determination as to the occurrence of such default and all of the necessity of such actions shall be conclusive evidence of such fact and such necessity and that amounts extended therefor were proper. Any amounts expended by Noteholder for such purposes shall be included with the Obligation. Noteholder shall further be authorized to enforce in Grantor's name and Grantor's behalf any commitment for long-term financing of the Mortgaged Premises. Grantor hereby agrees to indemnify and hold Noteholder harmless from any loss, cost or expense incurred by it in the performance of the remedies provided in this paragraph. Noteholder may, in the exercise of its rights granted under this paragraph, use any funds of Grantor held by or subsequently coming into the possession of Noteholder, whether held as security for performance hereof, as a deposit with Noteholder, or otherwise.

(h) Upon the occurrence of an event of default, Noteholder shall be entitled, at its option, to cease the making of any further advances to Grantor or Borrower for any purpose and any commitment to make such advances shall be suspended during the term of any such default.

15. Assignment of Rents. Grantor assigns to Noteholder absolutely, not only as collateral, all present and future rent and other income and receipts from the Mortgaged Premises. Leases are not assigned. Grantor warrants the validity and enforceability of the assignment. Grantor may as Noteholder licensee collect rent and other income and receipts as long as Grantor is not in default under the Obligation or this deed of trust. Grantor 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 under the Obligation and this deed of trust, Grantor may retain the excess. If Grantor defaults in payment of the Obligation or performance of this deed of trust, Noteholder may terminate Grantor's license to collect and then as Grantor's agent may rent the Mortgaged Property, or any part thereof, if it is vacant and collect all rent and other income and receipts. Noteholder neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the Mortgaged Premises. Noteholder may exercise Noteholder's rights and remedies under this paragraph without taking possession of the Mortgaged Premises. Noteholder shall apply all rent and other income and receipts collected under this paragraph first to expenses incurred in exercising Noteholder's rights and remedies and then to Grantor's obligations under the Obligation and this deed of trust in the order determined by Noteholder. Noteholder is not required to act under this paragraph, and acting under this paragraph does not waive any of Noteholder's other rights or remedies. If Grantor becomes a voluntary or involuntary bankrupt, Noteholder's filing a proof of claim in bankruptcy will be tantamount to the appointment of a receiver under Texas law.

16. Substitute Trustee. At the option of the Noteholder, with or without reason, a successor substitute trustee may be appointed by the Noteholder without any formality other than a designation in writing of a substitute

trustee, who shall then succeed to all the powers and duties given to the Trustee herein named, as if the substitute trustee had been named as the original Trustee; and such right to appoint a substitute trustee shall exist as often and whenever the Noteholder desires. If the Noteholder is a corporation, the corporation may act as Trustee or substitute trustee through any authorized officer, or by any agent or attorney-in-fact properly authorized by any such officer.

17. No Waivers. Neither the exercise of, nor the failure to exercise, any option given under the terms of this Deed of Trust shall be considered as a waiver of the right to exercise the same, or any other option given herein, and the filing of a suit to foreclose this Deed of Trust, either on any portion of the debt or for the whole debt, shall never be considered an election so as to preclude foreclosure under the power of sale or under the Texas Business and Commerce Code after a dismissal of the suit; nor shall the filing of the necessary notices of foreclosure or the institution of procedures for sale of the personal property, as provided in this Deed of Trust, preclude the prosecution of a later suit thereon.

18. Possession After Foreclosure. Any sale of all or any portion of the Mortgaged Premises under this Deed of Trust shall, without further notice, create the relationship of landlord and tenant at sufferance between the purchaser and Grantor or any person holding possession thereof through Grantor, and upon failure of Grantor or such person to surrender possession immediately, Grantor or such person may be removed by a writ of possession of the purchaser, either in the Justice Court having venue or in any other Court hereafter having jurisdiction and venue.

19. Governing Law. This Deed of Trust, the indebtedness and obligation secured hereby and the transactions evidenced hereby, and all matters relating thereto, and the rights, duties and obligations and liabilities of the parties, shall be governed by and construed in accordance with the laws (both statutory and case law) of the United States of America and the State of Texas.

20. Usury. This Deed of Trust and all other agreements are expressly limited so that in no event whatsoever, whether by acceleration or maturity of the Obligation or otherwise, shall the amount paid or agreed to be paid for the use, forbearance, or detention of the money advanced or to be advanced or secured hereby exceed the highest lawful rate permissible. In determining whether or not the rate of interest exceeds the highest lawful rate, the parties intend that all sums paid hereunder which are deemed interest for the purpose of determining usury be prorated, allocated, or spread in equal parts over the longest lawful period of time permitted. If, from any circumstances whatsoever, fulfillment of any provision hereof or any other agreement securing or related to the Obligation at any time performance of such provision shall be due shall involve the payment of interest in excess of that authorized by law, the obligation to be fulfilled shall be reduced to a limit so authorized. If, from any circumstances whatsoever, the Noteholder shall ever receive as interest an amount which would exceed the highest lawful rate, the amount which would be excessive shall, at Noteholder's option, be either applied to the reduction of the unpaid principal balance of the Obligation (and not to the payment of interest) or refunded to the person entitled thereto, and, to the extent permitted by law, the Noteholder shall not be subject to any penalty provided for the contracting for, charging or receiving interest in excess of the maximum lawful rate, regardless of when or the circumstances under which such refund or application was made.

21. Severance. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the Obligation or Mortgaged Premises or if the lien of this Deed of Trust is second or inferior to any prior lien, security interest or assignment as to any part of the Obligation or the Mortgaged Premises, the unsecured or partially secured portions of the Obligation and portions secured by a second or inferior lien shall be completely paid, in that order, prior to the payment of the remaining debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of those portions of the debt which are not secured or fully secured by the lien of this Deed of Trust or with respect to which the lien may be second or inferior.

22. Definitions. The use of the singular number shall include the plural and the plural the singular, and of the terms "Grantor" and "Borrower", if they include more than one party, shall include each such party, jointly and severally. The use of any gender shall include all genders. The words "Grantor", "Borrower" and "Noteholder" shall include their heirs, executors, administrators, successors and assigns.

23. Attorneys' Fees. Grantor will pay all reasonable attorneys' fees and expenses which may be incurred by the Noteholder in preparation or review of this Deed of Trust, and any other instrument or document deemed necessary or appropriate by Noteholder, or its counsel in connection with the indebtedness secured hereby and all such fees and expenses incurred in enforcing the terms of this Deed of Trust and any other such instrument or agreement or in any suit to which the Noteholder may become a party where the Obligation or this Deed of Trust is in any manner involved and all expenses incurred in presenting a claim against the estate of a decedent or a bankrupt and will also pay any attorneys' fees and expenses reasonably incurred in connection with the assignment to Noteholder of any leases subsequently entered into by Grantor of the Mortgaged Premises as additional collateral to secure payment of the indebtedness herein secured as well as any and all such fees and expenses reasonably incurred prior to full and final payment of such indebtedness relating to future advances, transfer of title to the premises and similar matters not otherwise provided for herein. Interest shall accrue on all amounts due and payable hereunder to the Noteholder at a rate of 18% per annum from and after the date of demand for payment.

24. Environmental. The Grantor will be and remain in compliance with the provisions of all federal, state and local environmental, health, and safety laws, codes and ordinances, and all rules and regulations issued thereunder affecting the Mortgaged Premises; notify the Noteholder immediately of any notice of a hazardous discharge or environmental complaint received from any governmental agency or any other party; notify the Noteholder immediately of any hazardous discharge from or affecting the Mortgaged Premises; immediately contain and remove the same, in compliance with all applicable laws; promptly pay any fine or penalty assessed in connection therewith; permit the Noteholder to inspect the Mortgaged Premises and all books, correspondence and



records pertaining to the Mortgaged Premises; and permit the Noteholder, at the Grantor's expense, to have the Mortgaged Premises inspected and to have tests conducted thereon. Except as previously disclosed to the Noteholder in writing, to the best of Grantor's knowledge, there are no hazardous materials placed, held, located or disposed of on, under or at the Mortgaged Premises, or any part thereof and neither the Mortgaged Premises, nor any part thereof, has ever been used (whether by the Grantor or by any other person or entity) as a dump site or storage (whether permanent or temporary) site for any hazardous material. The Grantor hereby indemnifies the Trustee and Noteholder and agrees to hold the Trustee and Noteholder harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses, and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Trustee or Noteholder for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, leakage, spillage, discharge, omission or release from the Mortgaged Premises of any hazardous material regardless of whether or not caused by, or within the control of, the Grantor.

25. Notices. All notices or demands required or permitted to be in writing hereunder, shall be deemed to be delivered when deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the Grantor or Noteholder at the respective addresses set forth herein or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith.

26. Use of Proceeds. The \$440,000.00 Note described in paragraph 1(a) hereof renews and extends the unpaid balance that Grantor owes on (a) a prior note in the original principal sum of \$145,000.00, which is dated December 31, 2009, executed by Jerry Don Artho, and payable to the order of Panhandle-Plains Land Bank, FLCA, which prior note is secured by a Deed of Trust of even date therewith covering Tract 1 of the Mortgaged Premises from Jerry Don Artho to Robert R. Williams, Jr., Trustee, and recorded in Volume 50, Page 307 of the Official Public Records of Armstrong County, Texas, and (b) a prior note in the original principal sum of \$129,150.00, which is dated December 31, 2008, executed by Jerry Artho, and payable to the order of JP Morgan Chase Bank, N.A., which prior note is secured by a Deed of Trust of even date therewith covering Tract 2 of the Mortgaged Premises from Jerry Don Artho to Randall B. Durant, Trustee, and recorded in Clerk's File No. 08 2872 of the Official Public Records of Deaf Smith County, Texas, as modified by Instrument recorded under Clerk's File No. 12-0131 of said records, and (c) a prior note in the original principal sum of \$250,000.00, which is dated December 22, 2011, executed by Jerry Artho, and payable to the order of JP Morgan Chase Bank, N.A., which prior note is secured by a Deed of Trust of even date therewith covering Tract 2 of the Mortgaged Premises from Jerry Don Artho to Randall B. Durant, Trustee, and recorded in Clerk's File No. 12-0117 of the Official Public Records of Deaf Smith County, Texas. Grantor acknowledges that the liens securing the prior notes are valid, that they subsist against the Mortgaged Premises, and that by this instrument the liens are renewed and extended in full force until the obligation is paid. The prior notes and the liens securing the same have been duly released or transferred and assigned to Noteholder.

27. Prior Liens. If Grantor fails to pay any part of principal or interest on any indebtedness secured by a prior lien or liens on the Mortgaged Premises when it becomes payable or defaults on any prior lien instrument, the obligation secured by this Deed of Trust shall immediately become payable at the option of Noteholder. The lien created by this instrument shall be subordinate to the lien securing payment of a note, as renewed, extended, reamortized, or otherwise adjusted periodically, in the original principal sum of \$1,000,000.00, which is dated May 29, 2012, executed by Jerry Artho, payable to the order of Happy State Bank, and more fully described in a Deed of Trust recorded under Clerk's File No. 12-1071 of the Official Public Records of Deaf Smith County, Texas. If default occurs in payment of any part of principal or interest of that \$1,000,000.00 note or in observance of any covenants of the Deed of Trust securing it, the obligation secured by this Deed of Trust shall immediately become payable at the option of Noteholder.

28. Homestead Disclaimer. Grantor represents to Noteholder that no part of the Mortgaged Premises is the homestead of Grantor and that Grantor neither does nor intends to reside in or on the Mortgaged Premises. Grantor renounces all present and future rights to a homestead exemption for the Mortgaged Premises. Grantor acknowledges that Noteholder relies on the truth of representations in this paragraph in making the loan secured by this Deed of Trust.

29. Waiver. To the maximum extent permitted by applicable law, Grantor hereby waives all rights, remedies, claims and defenses based upon or related to Sections 51.003, 51.004, and 51.005 of the Texas Property Code, to the extent the same pertain to any enforcement of the obligation and this Deed of Trust.

TEXAS FINANCE CODE SECTION 307.052 COLLATERAL PROTECTION INSURANCE NOTICE: (A) BORROWER IS REQUIRED TO: (i) KEEP THE MORTGAGED PREMISES INSURED AGAINST DAMAGE IN THE AMOUNT NOTEHOLDER SPECIFIES; (ii) PURCHASE THE INSURANCE FROM AN INSURER THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE OF TEXAS OR AN ELIGIBLE SURPLUS LINES INSURER; AND (iii) NAME NOTEHOLDER AS THE PERSON TO BE PAID UNDER THE POLICY IN THE EVENT OF A LOSS; (B) BORROWER MUST, IF REQUIRED BY NOTEHOLDER, DELIVER TO NOTEHOLDER A COPY OF THE POLICY AND PROOF OF THE PAYMENT OF PREMIUMS; AND (C) IF BORROWER FAILS TO MEET ANY REQUIREMENT LISTED IN PARAGRAPH (A) OR (B), NOTEHOLDER MAY OBTAIN COLLATERAL PROTECTION INSURANCE ON BEHALF OF BORROWER AT BORROWER'S EXPENSE.

NOTICE

THIS WRITTEN DEED OF TRUST REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Dated as of the 26th day of December, 2012.

Grantor: Jerry Artho  
JERRY ARTHO

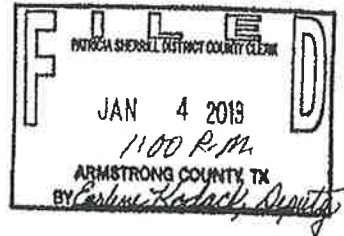
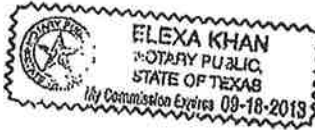
STATE OF TEXAS  
COUNTY OF ~~ROBERT~~ Randall

This instrument was acknowledged before me on this 28 day of December, 2012, by JERRY ARTHO.

Imelda DeLaCerna  
Notary Public, State of Texas

STATE OF TEXAS  
COUNTY OF ARMSTRONG

I hereby certify that this instrument was FILED on the date and time affixed hereon by me and was duly RECORDED in Volume and Page of the Records of Armstrong County, Texas as stamped hereon by me.



Patricia Shorff  
Armstrong Co. - Dist Clerk  
Armstrong County, Texas

By Carlene Kadack, Deputy

AFTER RECORDING RETURN TO:

Happy State Bank  
701 S. Taylor, Box 1 B 120  
Amarillo, Texas 79101

Ret. car After Recording Ret. in Title  
Stewart Title  
203 N 15th Street  
Canyon, TX 79015

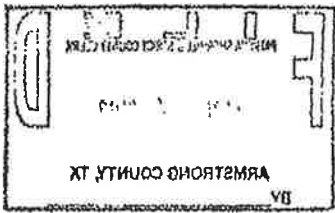


FILED and certified as RECORDED in the Official Public Records of Deaf Smith County on the date and time stamped. Imelda DeLaCerna, County Clerk, Deaf Smith County, Texas.

By: Diana Cuevas

Page 13 of 11  
Deputy April 1, 2013 (10:49am)

13-0543



ARMSTRONG COUNTY TX  
BY  
ARMSTRONG COUNTY TX  
BY

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION THAT TRANSFERS AN INTEREST IN REAL PROPERTY RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER.

DEED OF TRUST

RECORDATION REQUESTED BY:

Happy State Bank  
Canyon Branch  
1908 4th Avenue  
P.O. Box 1  
Canyon, TX 79015

WHEN RECORDED MAIL TO:

Happy State Bank  
Canyon Branch  
1908 4th Avenue  
P.O. Box 1  
Canyon, TX 79015

2013015432 DT Total  
[Barcode]

SEND TAX NOTICES TO:

Happy State Bank  
Canyon Branch  
1908 4th Avenue  
P.O. Box 1  
Canyon, TX 79015

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

THIS DEED OF TRUST is dated July 29, 2013, among JERRY ARTHO, whose address is PO BOX 7, BUSHLAND, TX 79012 ("Grantor"); Happy State Bank, whose address is Canyon Branch, 1908 4th Avenue, P.O. Box 1, Canyon, TX 79015 (referred to below sometimes as "Beneficiary"); and PLA Services, Inc., whose address is 701 S TAYLOR, Suite 501, AMARILLO, TX 79101 (referred to below as "Trustee").

**CONVEYANCE AND GRANT.** For valuable consideration, Grantor conveys to Trustee in trust, with power of sale, for the benefit of Lender as Beneficiary, the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; and all easements, rights of way, and appurtenances; all water and water rights; and all other rights, royalties, and profits relating to the real property, including without limitation such rights as Grantor may have in all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Randall County, State of Texas:

The South 116 acres, more or less, of the Southeast Quarter, of Section Number 36, of Block B, Certificate Number 37, Rusk Transportation Company, awarded to Jno. Goodman, Grantee, Deaf Smith County, Texas

**CROSS-COLLATERALIZATION.** In addition to the Note, this Deed of Trust secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them; as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise. However, this Deed of Trust shall not secure, and the "Indebtedness" shall not include, any obligations arising under Subchapters E and F of Chapter 342 of the Texas Finance Code, as amended.

**REVOLVING LINE OF CREDIT.** This Deed of Trust secures the indebtedness including, without limitation, a revolving line of credit, which obligates Lender to make advances to Grantor so long as Grantor complies with all the terms of the Note. Grantor hereby absolutely assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

**THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:**

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Deed of Trust, Grantor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Grantor's obligations under the Note, this Deed of Trust, and the Related Documents.

**PURPOSE OF LOAN.** The Note in the amount of \$1,000,000.00 represents, in part or in whole, cash or other financial accommodations advanced or committed by Lender to Grantor on July 29, 2013 at Grantor's request, of which Grantor hereby acknowledges receipt.

**POSSESSION AND MAINTENANCE OF THE PROPERTY.** Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

**Possession and Use.** Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

**Duty to Maintain.** Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

**Compliance With Environmental Laws.** Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage,



disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify and defend, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

**Nuisance, Waste.** Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent. This restriction will not apply to rights and assessments (such as gas and oil) not owned by Grantor and of which Grantor has informed Lender in writing prior to Grantor's signing of this Deed of Trust.

**Removal of Improvements.** Grantor shall not demolish or remove any improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

**Lender's Right to Enter.** Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

**Compliance with Governmental Requirements.** Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interests.

**Duty to Protect.** Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

**DUE ON SALE - CONSENT BY LENDER.** Lender may, at Lender's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property, whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Texas law.

**TAXES AND LIENS.** The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

**Payment.** Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due, except for the existing indebtedness referred to below, and except as otherwise provided in this Deed of Trust.

**Right to Contest.** Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and Lender's reasonable attorney's fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

**Evidence of Payment.** Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

**Notice of Construction.** Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialman's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

**PROPERTY DAMAGE INSURANCE.** The following provisions relating to insuring the Property are a part of this Deed of Trust.

**Maintenance of Insurance.** Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a fair value basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender, with losses made payable to Lender. GRANTOR MAY FURNISH THE REQUIRED INSURANCE WHETHER THROUGH EXISTING POLICIES OWNED OR CONTROLLED BY GRANTOR OR THROUGH EQUIVALENT INSURANCE FROM ANY INSURANCE COMPANY AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF TEXAS. If Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may, but shall not be required to, do so at Grantor's expense, and the cost of the insurance will be added to the indebtedness. If any such insurance is procured by Lender, Grantor will be so notified, and Grantor will have the option of furnishing equivalent insurance through any insurer authorized to transact business in Texas. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, and Grantor will ensure that coverages will not be canceled or diminished without at least thirty (30) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

**Application of Proceeds.** Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

**Compliance with Existing Indebtedness.** During the period in which any existing indebtedness described below is in effect, compliance with the insurance provisions contained in the instrument evidencing such existing indebtedness shall constitute compliance with the insurance provisions under this Deed of Trust. To the extent compliance with the terms of this Deed of Trust would constitute a duplication of insurance requirement, if any proceeds from the insurance become payable on loss, the provisions in this Deed of Trust for division of



proceeds shall apply only to that portion of the proceeds not payable to the holder of the Existing Indebtedness.

**Grantor's Report on Insurance.** Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Grantor's failure to comply with any obligation to maintain Existing Indebtedness in good standing as required below, or to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures paid by Lender for such purposes will then bear interest at the Note rate from the date paid by Lender to the date of repayment by Grantor. To the extent permitted by applicable law, all such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

**WARRANTY; DEFENSE OF TITLE.** The following provisions relating to ownership of the Property are a part of this Deed of Trust:

**Title.** Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in the Existing Indebtedness section below or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust.

**Defense of Title.** Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

**Compliance With Laws.** Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

**Survival of Representations and Warranties.** All representations, warranties, and agreements made by Grantor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

**EXISTING INDEBTEDNESS.** The following provisions concerning Existing Indebtedness are a part of this Deed of Trust:

**Existing Lien.** The lien of this Deed of Trust securing the Indebtedness shall be subordinate to the lien securing payment of an existing obligation with an account number of 1659747.69420 to Happy State Bank. The existing obligation has a current principal balance of approximately \$444,000.00 and is in the original principal amount of \$444,000.00. The existing obligation has the following payment terms: \$22,200.00 per Year. Grantor expressly covenants and agrees to pay, or see to the payment of, the Existing Indebtedness and to prevent any default on such Indebtedness, any default under the instruments evidencing such Indebtedness, or any default under any security documents for such Indebtedness.

**No Modification.** Grantor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement which has priority over this Deed of Trust by which that agreement is modified, amended, extended, or renewed without the prior written consent of Lender. Grantor shall neither request nor accept any future advances under any such security agreement without the prior written consent of Lender.

**CONDEMNATION, JUDGMENTS AND AWARDS.** The following provisions relating to condemnation proceedings, judgments, decrees and awards for injury to the Property are a part of this Deed of Trust:

**Proceedings.** If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

**Application of Net Proceeds.** To the extent permitted by applicable law, all judgments, decrees and awards for injury or damage to the Property, or any part of the Property, and awards pursuant to proceedings for condemnation of the Property, are hereby absolutely assigned to Lender, and if all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award, judgment or decree shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation.

**SECURITY AGREEMENT; FINANCING STATEMENTS.** The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

**Security Agreement.** This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

**Security Interest.** Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Real and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, cover or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

**Addresses.** The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

**FURTHER ASSURANCES; ATTORNEY-IN-FACT.** The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

**Further Assurances.** At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, raffled, or re-recorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

**Attorney-in-Fact.** If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of

Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

**FULL PERFORMANCE.** If Grantor pays all the indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Grantor a release of this Deed of Trust lien and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. However, it is agreed that the payment of all the indebtedness and performance of such obligations shall not terminate this Deed of Trust unless the liens and interests created hereby are released by Lender by a proper recordable instrument. Any filing fees required by law shall be paid by Grantor, if permitted by applicable law.

**EVENTS OF DEFAULT.** Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

**Payment Default.** Grantor fails to make any payment when due under the indebtedness.

**Other Defaults.** Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

**Compliance Default.** Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

**Default on Other Payments.** Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Defective Collateralization.** This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

**Death or Insolvency.** The death of Grantor, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Breach of Other Agreement.** Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

**Events Affecting Guarantor.** Any of the preceding events occur with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the indebtedness.

**Adverse Change.** A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Existing Indebtedness.** The payment of any installment of principal or any interest on the Existing Indebtedness is not made within the time required by the promissory note evidencing such indebtedness, or a default occurs under the instrument securing such indebtedness and is not cured during any applicable grace period in such instrument, or any suit or other action is commenced to foreclose any existing lien on the Property.

**RIGHTS AND REMEDIES ON DEFAULT.** If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

**Election of Remedies.** Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

**Accelerate Indebtedness.** Lender may declare the unpaid principal balance of the indebtedness due and payable. In no event will Grantor be required to pay any unearned interest.

**Foreclosure.** If Lender invokes the power of sale, Trustee, at the request of Lender, may sell all or any portion of the Property at public auction to the highest bidder for cash at the location within the courthouse designated by the County Commissioners Court, or if no such area has been designated, at the area designated in the notice of sale within the courthouse, between the hours of 10:00 A.M. and 4:00 P.M. on the first Tuesday of any month, after the Trustee or its agent has given notice of the time and place of sale and of the property to be sold as required by the Texas Property Code, as then amended.

**UCC Remedies.** With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

**Collect Rents.** As additional security for the payment of the indebtedness, Grantor hereby assigns to Lender all Rents as defined in the Definitions section of this Deed of Trust. Lender shall have the right at any time, and even though no Event of Default shall have occurred under this Deed of Trust, to collect and receive the Rents. Lender shall provide any notice required by applicable law with regard to such enforcement of its right to collect and receive the Rents. In addition, if the Property is vacant, Lender may rent or lease the Property. Lender shall not be liable for its failure to rent the Property, to collect any Rents, or to exercise diligence in any matter relating to the Rents; Lender shall be accountable only for Rents actually received. Lender neither has nor assumes any obligation as lessor or landlord with respect to any occupant of the Property. Rents so received shall be applied by Lender first to the remaining unpaid balance of the indebtedness, in such order or manner as Lender shall elect, and the residue, if any, shall be paid to the person or persons legally entitled to the residue.

**Trustee's Powers.** Grantor hereby jointly and severally authorizes and empowers Trustee to sell all or any portion of the Property together or in lots or parcels, as Trustee may deem expedient, and to execute and deliver to the purchaser or purchasers of such Property good and sufficient deeds of conveyance of fee simple title, or of lesser estates, and bills of sale and assignments, with covenants of general warranty made on Grantor's behalf. In no event shall Trustee be required to exhibit, present or display at any such sale any of the Property to be sold at such sale. The Trustee making such sale shall receive the proceeds of the sale and shall apply the same as provided below. Payment of the purchase price to Trustee shall satisfy the liability of the purchaser at any such sale of the Property, and such person shall not be bound to look after the application of the proceeds.

**Appoint Receiver.** Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

**Tenancy at Sufferance.** If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise

becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, (2) vacate the Property immediately upon the demand of Lender, or (3) if such tenancy refuse to surrender possession of the Property upon demand, the purchaser shall be entitled to institute and maintain the statutory action of forcible entry and detainer and procure a writ of possession thereunder, and Grantor expressly waives all damages sustained by reason thereof.

**Other Remedies.** Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Note or available at law or in equity.

**Sale of the Property.** To the extent permitted by applicable law, Grantor hereby waives any and all rights to have the Property marshalled, in exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property. Trustee may convey all or any part of the Property to the highest bidder for cash with a general warranty binding Grantor, subject to prior liens and to other exceptions to conveyance and warranty. Grantor waives all requirements of appraisal, if any. The affidavit of any person having the fact that such notice was in fact given. Recitals and statements of fact in any notice or in any conveyance to the purchaser or purchaser of the Property in any foreclosure sale under this Deed of Trust shall be prima facie evidence of the truth of such facts, and all prerequisites and requirements necessary to the validity of any such sale shall be presumed to have been performed. Any sale under the powers granted by this Deed of Trust shall be a perpetual bar against Grantor, Grantor's heirs, successors, assigns and legal representatives.

**Proceeds.** Trustee shall pay the proceeds of any sale of the Property (a) first, to the expenses of foreclosure, including reasonable fees or charges paid to the Trustee, including but not limited to fees for enforcing the lien, pooling for sale, selling, or releasing the Property, (b) then to Lender the full amount of the indebtedness, (c) then to any amount required by law to be paid before payment to Grantor, and (d) the balance, if any, to Grantor.

**Attorneys' Fees; Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as Lender's attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including Lender's reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law. In the event of foreclosure of this Deed of Trust, Lender shall be entitled to recover from Grantor Lender's reasonable attorneys' fees and actual disbursements that Lender necessarily incurs in pursuing such foreclosure.

**POWERS AND OBLIGATIONS OF TRUSTEE.** The following provisions relating to the powers and obligations of Trustee are part of this Deed of Trust:

**Powers of Trustee.** In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Grantor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

**Obligations to Notify.** Trustee shall not be obligated to notify any other lienholder of the Property of the commencement of a foreclosure proceeding or of the commencement of any other action to which Lender may avail itself as a remedy, except to the extent required by applicable law or by written agreement.

**Trustee.** In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

**Substitute Trustee.** Lender, at Lender's option, from time to time, and more than once, may appoint in writing a successor or substitute trustee, with or without cause, including the resignation, absence, death, inability, refusal or failure to act of the Trustee. The successor or substitute trustee may be appointed without ever requiring the resignation of the former trustee and without any formality except for the execution and acknowledgment of the appointment by the beneficiary of this Deed of Trust. The successor or substitute trustee shall then succeed to all rights, obligations, and duties of the Trustee. This appointment may be made on Lender's behalf by the President, any Vice President, Secretary, or Cashier of Lender.

**NOTICES.** Any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addressee shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

**REFINANCING.** The Note secured hereby constitutes a renewal, extension, and rearrangement, but not a novation or discharge of certain existing debts described as A Promissory Note dated May 29, 2012 in the amount of \$250,000.00 executed by Jerry Artho payable to Happy State Bank

and the liens securing same covering the Property recorded under/and Deed of Trust recorded under Clark's Filing Number 12-1074 Official Public Records Deaf Smith County, Texas of the real property records of Randall County, Texas (such debt and lien instruments called the "Existing Lien Instruments"). Grantor acknowledges and agrees that Grantor is legally obligated and primarily liable regarding the Existing Lien Instruments and that such Existing Lien Instruments are valid and subsisting liens and security interests in and to the Property. To the extent that any such Existing Lien Instrument related to work on or improvements to the Property, Grantor represents and warrants that such work has been fully completed and accepted by Grantor and was begun after the applicable Existing Lien Instruments were executed, delivered and recorded. The liens and security interests of the Existing Lien Instruments are hereby ratified, renewed, extended, and carried forward by this Deed of Trust in full force and effect as security for the indebtedness, regardless of whether same are released of record, with Beneficiary being fully subrogated and entitled to all of the liens, security interests, rights, powers, and equities of the Existing Lien Instruments. The liens and security interests created by this Deed of Trust shall relate back to and be effective as of the effective date of the Existing Lien Instruments. A foreclosure under this Deed of Trust shall operate as a foreclosure under the Existing Lien Instruments. Nothing herein shall be construed to impair or discharge the Existing Lien Instruments. To the extent that the terms of the Existing Lien Instruments may conflict with or be inconsistent with this Deed of Trust, the terms of this instrument shall control.

**FUTURE ADVANCE CLAUSE.** In addition to the Note, this Deed of Trust secures all future advances made by Lender to Grantor whether or not the advances are made pursuant to a commitment. Specifically, without limitation, this Deed of Trust secures, in addition to the amounts specified in the Note, all future amounts Lender in its discretion may loan to Grantor, together with all interest thereon. Grantor hereby absolutely assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to all present and in the Personal Property and Rents.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Deed of Trust:

**Amendments.** This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Annual Reports.** If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

**Caption Headings.** Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

**Merger.** There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

**Governing Law.** This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Texas without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of Texas.

**Choice of Venue.** If there is a lawsuit, and if the transaction evidenced by this Deed of Trust occurred in Randall County, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Randall County, State of Texas.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Severability.** If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

**Successors and Assigns.** Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the indebtedness.

**Time is of the Essence.** Time is of the essence in the performance of this Deed of Trust.

**Waive Jury.** All parties to this Deed of Trust hereby waive the right to any jury trial in any action, proceedings, or counterclaim brought by any party against any other party.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

**Beneficiary.** The word "Beneficiary" means Happy State Bank, and its successors and assigns.

**Borrower.** The word "Borrower" means JERRY ARTHO and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Deed of Trust.** The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

**Default.** The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

**Environmental Laws.** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., or the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

**Existing Indebtedness.** The words "Existing Indebtedness" mean the indebtedness described in the Existing Liens provision of this Deed of Trust.

**Grantor.** The word "Grantor" means JERRY ARTHO.

**Guaranty.** The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

**Hazardous Substances.** The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

**Improvements.** The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

**Indebtedness.** The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Deed of Trust.

**Lender.** The word "Lender" means Happy State Bank, its successors and assigns.

**Note.** The word "Note" means the promissory note dated July 20, 2013, in the original principal amount of \$1,000,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.

**Personal Property.** The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

**Property.** The word "Property" means collectively the Real Property and the Personal Property.





Loan No: 57578

DEED OF TRUST  
(Continued)

Page 7

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.  
Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guarantees, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.  
Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property. The word "Rents" shall also mean all "Rents" as defined in Chapter 94 of the Texas Property Code.  
Trustee. The word "Trustee" means PLA Services, Inc., whose address is 701 S TAYLOR, Suite 504, AMARILLO, TX 79104 and any substitute or successor trustee.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND GRANTOR AGREES TO ITS TERMS.

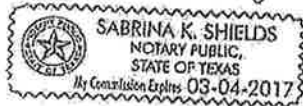
GRANTOR:

X   
JERRY ARTHO AIKA JERRY D. ARTHO AIKA  
JERRY DON ARTHO

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Texas )  
COUNTY OF Randall ) SS )


This instrument was acknowledged before me on August 9<sup>th</sup>, 2013 by JERRY ARTHO AIKA JERRY D. ARTHO AIKA JERRY DON ARTHO.



  
Sabrina K. Shields  
Notary Public, State of Texas

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

 Renee Calhoun

2013015432  
08/16/2013 01:10 PM  
Fee: 40.00  
Renee Calhoun, County Clerk  
Randall County, Texas  
07



Is a "Banking Violation" of Happy's "Fiduciary Responsibilities" against Artho &/or any banking customer.

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Aug. 16th 2013

If ALL ORIGINAL documentation & ALL Notaries signature books are legal.

#49 count of Racketeering when Happy Filed & Recorded, Artho's Deaf Smith County Double A's Deed of Trust, in the WRONG County of Randall.

RP 250-256

RP 1376-1382

#50 count of Racketeering when Happy Filed & Recorded, Artho's Deaf Smith County Double A's Deed of Trust, in the WRONG County of Randall.

A simple title search's EVIDENCE &/or word of mouth, reveals Artho's "Slandered Title" & "Price Fixing".

ILLEGALLY prevents Artho from refinancing with another bank, due to collateral complications.

#51 count of Racketeering when Happy Filed & Recorded, Artho's Deaf Smith County Double A's Deed of Trust, in the WRONG County of Randall.

A simple title search's EVIDENCE &/or word of mouth, reveals Artho's "Slandered Title" & "Price Fixing".

ILLEGALLY prevents Artho & Artho's fellow Realtors from selling Artho's MLS properties, due to closing complications.

#52 count of Racketeering when Happy Filed & Recorded, Artho's Deaf Smith County Double A's Deed of Trust, in the WRONG County of Randall.

A simple title search's EVIDENCE &/or word of mouth, reveals Artho's "Slandered Title". & "Price Fixing".

ILLEGALLY devalues & "Price Fixing" of Artho's property, due to the slandering of Artho's name & credibility.

#53 count of Racketeering when Happy Filed & Recorded, Artho's Deaf Smith County Double A's Deed of Trust, in the WRONG County of Randall.

A simple title search's EVIDENCE &/or word of mouth, reveals Artho's "Slandered Title" & "Price Fixing".

ILLEGALLY ruins Artho's present & future credit.

#54 count of Racketeering when Happy Filed & Recorded, Artho's Deaf Smith County Double A's Deed of Trust, in the WRONG County of Randall.

A simple title search's EVIDENCE &/or word of mouth, reveals Artho's "Slandered Title" & "Price Fixing".

Is an attempt to fraudulently eliminate Artho's "Other Options".

#55 count of Racketeering when Happy Filed & Recorded, Artho's Deaf Smith County Double A's Deed of Trust, in the WRONG County of Randall.

A simple title search's EVIDENCE &/or word of mouth, reveals Artho's "Slandered Title" & "Price Fixing".

Is a "Conflict of Interest" of Happy's "Fiduciary Responsibilities".

#56 count of Racketeering when Happy Filed & Recorded, Artho's Deaf Smith County Double A's Deed of Trust, in the WRONG County of Randall.

A simple title search's EVIDENCE &/or word of mouth, reveals Artho's "Slandered Title" & "Price Fixing".

Is a "Banking Violation" of Happy's "Fiduciary Responsibilities" against Artho &/or any banking customer.

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Aug. 18th 2013

If ALL ORIGINAL documentation & ALL Notaries signature books are legal.

EVIDENCE Happy knew the CORRECT, legal land description on Apache Point.

Happy Filed & Recorded the CORRECT, legal land description on Apache Point.

RP 133-139

EVIDENCE Happy knew the CORRECT, legal land description on Artho 1/4.

Happy Filed & Recorded the CORRECT, legal land description on Artho 1/4's Deed of Trust.

RP 126-132

RP 1158-1164

EVIDENCE of the CORRECT, legal land description on Artho 1/4.

All the way back to The Republic of Texas 12-22-1836 & joining the Union 6-23-1845.

RP 303-322

EVIDENCE of the CORRECT legal land description on Artho 1/4

RP 296

#57 count of Racketeering when Happy ILLEGALLY added, hand written in account

#1660414.57578, to a Filed & Recorded Deed of Trust.

The addition is NOT initialed by Happy, nor by Artho.

RP 1165-1171

#58 count of Racketeering when Happy ILLEGALLY added, hand written in account

#1660414.57578, to a Filed & Recorded Deed of Trust.

The addition is NOT initialed by Happy, nor by Artho.

A simple title search's EVIDENCE &/or word of mouth, reveals Happy's fraudulent loan documentation.

ILLEGALLY prevents Artho from refinancing with another bank, due to collateral complications.

#59 count of Racketeering when Happy ILLEGALLY added, hand written in account

#1660414.57578, to a Filed & Recorded Deed of Trust.

The addition is NOT initialed by Happy, nor by Artho.

A simple title search's EVIDENCE &/or word of mouth, reveals Happy's fraudulent loan documentation.

ILLEGALLY prevents Artho & Artho's fellow Realtors from selling Artho's MLS properties, due to closing complications.

#60 count of Racketeering when Happy ILLEGALLY added, hand written in account

#1660414.57578, to a Filed & Recorded Deed of Trust.