

After recording, return to:
Texas Notes, LLC
603 W. 11th St., Ste. 110
Houston, Texas 77008

Prepared by:



Title Order No.: [REDACTED]
LOAN #: [REDACTED]

We hereby certify that this is a true and correct copy of the original instrument.
By: [Signature]
PRESIDIO-FILE COMPANY

[Space Above This Line For Recording Data]

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 AND INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

**DEED OF TRUST
(SECURITY AGREEMENT AND FINANCING STATEMENT)**

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "**Security Instrument**" means this document, which is dated **January 6, 2022**, together with all Riders to this document.

(B) "**Borrower**" is [REDACTED]
Borrower is the grantor under this Security Instrument.

(C) "**Lender**" is **TEXAS NOTES, LLC**.
Lender is a **Limited Liability Company**, organized and existing under the laws of **TEXAS**.
Lender's address is **603 W. 11th Street, Suite 110, Houston, Texas 77008**
Lender includes any holder of the Note who is entitled to receive payments under the Note.

(D) "**Trustee**" is [REDACTED]
Trustee's address is [REDACTED]

(E) **Intentionally left blank.**

(F) "**Note**" means the promissory note signed by Borrower and dated **January 6, 2022**. The Note states that Borrower owes Lender **FOUR HUNDRED THOUSAND DOLLARS AND NO/100 Dollars (U.S.**

\$400,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than **October 06, 2022**.

(G) "Property" means the property that is described below under the heading "Transfer of Rights in the Property" and as further defined under such heading.

(H) "Loan" means the debt evidenced by the Note, including any renewal or extension or modification thereof, plus interest, any prepayment charges and late charges due under the Note, and all sums due under the Security Instrument, plus interest.

(I) "Riders" means all Riders to this Security Instrument that are executed by Borrower.

(J) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(K) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(L) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(M) "Escrow Items" means those items that are described in Section 3.

(N) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(O) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(P) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (iii) any amounts under Section 3 of this Security Instrument.

(Q) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (12 C.F.R. Part 1024), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(R) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

The beneficiary of this Security Instrument is the Lender. This Security Instrument secures to Lender: (i) the repayment of the Loan; (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note; (iii) all sums advanced, or costs or expenses incurred by Lender which are made or incurred pursuant to or allowed by, the terms of this instrument, plus interest thereon as provided in the Note; (iv) all promissory notes evidencing additional loans which Lender may hereinafter make to Borrower ("Additional Loans") (although it is understood that Lender is under no obligation to do so); and (v) all other indebtedness and liabilities of all kinds of Borrower to Lender now existing or hereafter arising (including overdrafts in bank accounts), whether fixed or contingent, joint and/or several, direct or indirect, primary or secondary, and regardless of how created or evidenced, or whether they may, prior to acquisition by Lender, be or have been payable to, or be or have been in favor of some other person, or have been acquired by Lender in a transaction with a party other than Borrower ("Other Indebtedness"). For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of **BEXAR**:

[REDACTED]

which currently has the address of [REDACTED] ("Property Address"):

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. Borrower understands and agrees that all awnings, door and window screens, storm window screens, storm windows and doors, mantels, cabinets, rugs, carpeting, linoleum, wall and in-a-door beds, stoves, shades, blinds, oil and other fuel-burning systems and equipment, water heaters, radiator covers, and all plumbing, heating, lighting, cooking, ventilating, cooling, air-conditioning and refrigerating apparatus and equipment, and such goods and 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 said building by nails, screws, bolts, pipe connections, masonry or in other manner, and all specifications, are and shall be deemed to be fixtures and accessions to the Property, being hereby agreed to be immovable and a part of the realty as between the parties hereto, and shall be deemed to be a part and portion of the Property. All of the foregoing is referred to in this Security Instrument as the "Property." To the extent permitted by law, this Deed of Trust shall be construed to be a security agreement and financing statement.

ADDITIONAL SECURITY

The lien, security interest and other rights granted hereby shall not affect or be affected by any other security taken for the same Loan, or any part thereof. The taking of additional security, or the extension or renewal of the Loan secured hereby, or any part thereof, shall not release or impair the lien, security interest and other rights granted hereby, or affect the liability of any endorser, guarantor or surety, or improve the right of any permitted junior lienholder, and this Deed of Trust, as well as any instrument given to secure any renewal or extension of the Loan secured hereby, or any part thereof, shall be and remain a first and prior lien, except as otherwise provided herein, on all of the Property not expressly released until the Loan secured hereby is completely paid.

As additional security for the payment of the Loan, Additional Loans, and Other Indebtedness, Borrower hereby transfers and assigns to the Lender each of the following:

(a) **bonuses, rents and royalties:** all bonuses, rents and royalties accrued or to accrue under all oil, gas or mineral leases, now existing or which may hereafter come into existence, and Borrower directs payment of the same to the Lender, at the option of the Lender and upon written demand of the Lender therefor, to be applied to the Loan, Additional Loans, and Other Indebtedness, in such manner as Lender elects, until paid, whether due or not, and either before or after any default under the terms of this Deed of Trust or Note; Borrower's rights, if any, in all oil, gas, and other minerals that might be produced from the Property covered by this Deed of Trust, which Deed of Trust (i) is to be filed in the real property records of the county in which the land is located, (ii) covers all "as-extracted collateral," as defined in Texas Business and Commerce Code §9.102 (as amended or replaced), attributable to the land, (iii) serves as a security agreement covering the as-extracted collateral, (iv) serves as an assignment of all payments made for damages or anticipated damages to the land, and (v) serves as a financing statement covering as-extracted collateral and fixtures as provided in Texas Business and Commerce Code §9.502; and the provision of this subparagraph are cumulative of all other provisions of this Deed of Trust.

(b) **rents and profits:** all of the rents, royalties, issues, profits, revenue, income and other benefits derived from the Property (whether now existing or hereafter arising) or arising from the use thereof or from any lease or agreement pertaining thereto (hereinafter called the "Rents and Profits") are hereby absolutely and unconditionally assigned, transferred, conveyed and set over to Lender to be applied by Lender in payment of the principal and interest and all other sums payable on the Loan, Additional Loans, and Other Indebtedness secured hereby. It is intended that this assignment is absolute, unconditional and presently effective and that it shall never be necessary for Lender to institute legal proceedings of any kind whatsoever to enforce the provisions of this subsection (b) under Additional Security. Prior to the

occurrence of any default hereunder, Borrower shall collect and receive all Rents and Profits as Trustee for the benefit of Lender and Borrower, and Borrower shall apply the funds so collected first to the payment of the principal and interest and all other sums payable on the Loan and in payment of all Additional Loans and Other Indebtedness secured hereby, and thereafter, so long as no default hereunder has occurred, the balance shall be distributed to the account of the Borrower. Borrower will not (i) execute an assignment of any of its right, title or interest in the Rents or Profits, or (ii) except where the lessee is in default thereunder, terminate or consent to the cancellation or surrender of any lease of the Property or any part thereof, now or hereafter existing, having an unexpired term of one year or more except that any lease may be canceled, provided that promptly after the cancellation or surrender thereof, a new lease is entered into with a new lessee having a credit standing, in the judgment of Beneficiary, at least equivalent to that of lessee whose lease was canceled, on substantially the same terms as the terminated or canceled lease, or (iii) modify any lease of the Property or any part thereof so as to shorten the unexpired term thereof or so as to decrease the amount of rent payable thereunder, or (iv) accept prepayments of any installments of rent to become due under any of such leases in excess of one month, except prepayments in the nature of security for the performance of the lessee thereunder, or (v) in any other manner impair the value of the Property or the security of this Deed of Trust. Borrower will not execute any lease of all or any substantial portion of the Property except for actual occupancy by the lessee thereunder, and will at all times promptly and faithfully perform, or cause to be performed, each covenant, condition and agreement contained in each lease of the Property now or hereafter existing on the part of lessor thereunder to be kept and performed. Borrower shall furnish to Lender, within ten (10) days after a request by Lender to do so, a written statement containing the names of all lessees of the Property, the terms of their respective leases, the spaces occupied, and the rentals payable thereunder. Lender shall have no liability or obligation with respect to any lease of the Property or any part thereof;

(c) All of Borrower's interest in, to, and under any and all leases, tenant contracts, construction contracts and other contracts, licenses and permits, whether written or oral, now or hereafter affecting all or any part of the Property, and any agreement for the use or occupancy of all or any part of said Property which may have been made heretofore or which may be made hereafter, including any and all extensions, renewals, and modifications of the foregoing and guaranties of the performance or obligations of any tenants thereunder, and all other arrangements of any sort resulting in the payment of money to Borrower or in Borrower becoming entitled to the payment of money for the use of the Property or any part thereof, whether such user or occupier is tenant, invitee, or licensee (all of the foregoing hereafter referred to collectively as the "Leases" and individually as a "Lease", and said tenants, invitees and licensees are hereafter referred to collectively as "Tenants" and individually as "tenant" as the context requires), which Leases cover all or any portion of the Property. Borrower agrees to execute and deliver to Lender such additional instruments, in form and substance satisfactory to Lender, as may hereafter be requested by Lender further to evidence and confirm said assignment; and will also pay any attorney's fees and expenses reasonably incurred in connection with the assignment to Lender of any leases which by the terms hereof are required to be assigned to Lender as additional collateral to secure payment of the Loan herein secured; provided, however, that acceptance of any such assignment shall not be construed as a consent by Lender to any Lease, or to impose upon Lender any obligation with respect thereto; and provided, further, that permission is hereby given to Borrower unless and until Borrower is in default as provided herein, to collect the income, rents, issues and profits to the Property as they become due and payable but not in advance, except as provided herein below.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record; and that Borrower will make such further assurance of title as may be necessary to fully confirm to the Trustee the title to the Property.

GENERAL COVENANTS

Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.

Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. If required by Lender, Borrower shall also pay

funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, prior to default, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) unpaid costs, fees, and charges due Lender in accordance with the terms of the Loan Agreement, the Note, and this Security Instrument; (b) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note. Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

After default, Lender may credit payment in whatever lawful manner it chooses.

3. Funds for Escrow Items. If called upon by the Lender to do so, Borrower shall create a fund or reserve for the payment of all insurance premiums, taxes and assessments against or affecting the Property by paying to Lender, with each installment payment under the Note prior to the maturity of the Note, a sum equal to the premiums that will next become due and payable on the general liability and hazard insurance policies covering the Property, or any part thereof, plus taxes and assessments next due on the Property, or any part thereof, as estimated by Lender, less all sums paid previously to Lender therefor, divided by the number of installment payments to be made before one month prior to the date when such premiums, taxes and assessments will become delinquent, such sums to be held by Lender, without interest, unless interest is required by applicable law, for the purpose of paying such premiums, taxes and assessments. Any excess reserve shall be credited by Lender on subsequent reserve payments and any deficiency shall be paid by Borrower to Lender before one month prior to the date when such premiums, taxes and assessments shall become delinquent. Transfer of legal title to the Property, if allowed under this Deed of Trust, shall automatically transfer the interest of Borrower in all sums deposited with Lender under the provisions hereof or otherwise. If the maturity of the Loan is accelerated under the terms of any of the Loan Documents, Lender may apply any funds in said account against the Loan in such manner as Lender, in its sole discretion, shall determine. Furthermore, unless otherwise required by applicable law, Lender shall be entitled to hold such funds in a common escrow account and shall not be required to maintain a separate account, and Lender shall not be required to pay over to Borrower any interest which may accrue on said account. All deposits made pursuant to this paragraph shall be held by the Lender as additional security for the payment of the debt described herein and shall not be assigned, attached or otherwise alienated except when transferred by Borrower to a new owner of the Property concurrently with a bona fide sale of the Property, if such sale is allowed under this Deed of Trust.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens; Bills for Labor and Materials. Borrower shall pay, prior to delinquency, all taxes, assessments, charges, fines, and impositions attributable to the Property, or the interest created therein by this Deed of Trust, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any, and exhibit the receipts therefor to the Lender (unless such payments are made by the Lender as hereinafter provided). 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. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall not enter into any agreement with any third party for the payment of the ad valorem taxes imposed on the Property or authorize, in any manner, the transfer of the lien for such taxes to any third-party.

Borrower shall defend the title and possession of the Property to the end that this Deed of Trust shall be and remain a first lien on the Property until the debt is paid.

Borrower shall pay when due all bills for labor and materials incurred in connection with the Property and subject to Borrower's right to contest, shall never permit to be fixed against the Property or any part thereof, any lien or security interest, even though inferior to the liens and security interests hereof, for any such bill which may be legally due and payable, (it being understood that so long as Borrower is contesting such lien in good faith that the existence thereof shall not create an event of default).

Borrower will not, without the prior written consent of Lender, execute or deliver any pledge, security agreement, mortgage or deed of trust covering all or any portion of the Property (hereinafter called "Subordinate Mortgage"). In the event of consent by Lender to the foregoing or in the event the foregoing prohibition is determined by a court of competent jurisdiction to be unenforceable by the provisions of any applicable law, Borrower will not execute or deliver any Subordinate Mortgage unless there shall have been delivered to Lender not less than ten (10) days prior to the date thereof a copy thereof which shall contain express covenants to the effect: (a) that the Subordinate Mortgage is in all respects unconditionally subject and subordinate to the lien, security interest and assignment evidenced by this Deed of Trust and each term and provision hereof; (b) that if any action or proceeding shall be instituted to foreclose the Subordinate Mortgage (regardless of whether the same is a judicial proceeding or pursuant to a power of sale contained therein), no tenant of any portion of the Property will be named as a party defendant, nor will any action be taken with respect to the Property which would terminate any occupancy or tenancy of the Property without the prior written consent of Lender; (c) that the Rents and Profits, if collected through a receiver or by the holder of the Subordinate Mortgage, shall be applied first to the obligations secured by this Deed of Trust, including principal and interest due and owing on or to become due and owing on the Note and the other indebtedness secured hereby and then to the payment of maintenance, operating charges, taxes, assessments, and disbursements incurred in connection with the ownership, operating and maintenance of the Property; and (d) that if any action or proceedings shall be brought to foreclose the Subordinate Mortgage, written notice of the commencement thereof will be given to Lender contemporaneously with the commencement of such action or proceeding.

Lender may require Borrower to pay charges for any real estate tax verification and/or reporting service used by Lender in connection with this Loan.

Lender may, at Lender's option, without demand or notice and without waiver of any right, pay or discharge any lien or claim upon the Property or pay any delinquent tax or assessment, and, upon payment of any such lien, claim, or delinquent tax or assessment, said amounts shall be deemed to be added to the principal of the Note and to be included in the definition of "Loan" in this Deed of Trust, and Lender shall be subrogated to the rights of the holder of such lien, claim, tax, or assessment.

5. Property Insurance; Workers' Compensation Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time

charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

Unless Borrower has provided a survey of the Property or a Flood Certificate which shows to the contrary, Borrower represents and warrants that none of the Property, or any part thereof, is situated within a flood plain, flood prone area, special flood hazardous area or the like, as so designated by the applicable Flood Hazard Boundary Map or any such similar map or plat issued or controlled by The Flood Insurance Administration and/or any other federal agency appointed to regulate such matters under the Federal Flood Disaster Protection Act, as amended, and Borrower hereby indemnifies and holds Lender harmless, from any claims and/or costs arising against or waived by Lender if the Property is, in fact, determined to be in such an area. In the event that any portion of the Property is situated within a flood plain, a flood prone area, a special flood hazardous area or the like, or in any FEMA Zone other than Zone X, Borrower will keep the Property insured for the protection of Lender against loss by flood, and the provisions of this Deed of Trust concerning amounts of coverage, payment of premiums, endorsements, payment and application of insurance proceeds, and other matters regarding hazard insurance shall apply with equal force to Borrower's obligation herein to obtain flood insurance.

Borrower shall maintain, or cause to be maintained, workers' compensation insurance covering all persons, if any, employed by Borrower working on the Property and Borrower shall provide Lender with proof of insurance, notice of cancellation, and other information relating to such insurance coverage, in the same manner as required with respect to other insurance obligations of Borrower described in this Deed of Trust.

Lender may advance any unpaid insurance premiums, and, if Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall

be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Intentionally left blank.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property, and inspection of all records relating thereto, which records Borrower shall furnish to Lender immediately upon Lender's request. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's False Statements. Borrower shall be in default if, during the Loan application process, or in the Note, this Deed of Trust, or in any writing delivered to Lender in connection with the Loan, Additional Loans, or Other Indebtedness secured hereby, whether in the form of a statement, representation, or other form, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave or gives materially false, misleading, or inaccurate information or statements to Lender (or failed or fails to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's use of the property for business or commercial purposes and not as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If, while this Deed of Trust is in force, (a) the title of the Trustee to, or the interest of Lender in, the Property hereby conveyed or any part thereof, shall be endangered or shall be attached directly, or indirectly, or (b) Borrower fails to perform the covenants and agreements contained in this Security Instrument, then Borrower hereby authorizes Lender, at Borrower's expense, to take all necessary and proper steps for the defense and protection of such title or interest, including, but not limited to, the employment of counsel, the prosecution or defense of litigation (including to protect its secured position in a bankruptcy proceeding), the payment of any sums secured by a lien which has priority over this Security Instrument, the compromise or discharge of claims made against such title or interest, protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

At any time, if any law shall be enacted imposing or authorizing the imposition of any tax upon this Deed of Trust, or upon any rights, titles, liens, or security interests created hereby, or upon the Note, or any part thereof, or any other indebtedness secured hereby, Borrower shall immediately pay all such taxes;

provided that, in the alternative Borrower may, in the event of the enactment of such a law, and must, if it is unlawful for Borrower to pay such taxes, prepay the Note, and any other indebtedness secured hereby, in full within TEN (10) days.

Borrower shall, at any time and from time to time, furnish promptly, upon request, a written statement or affidavit in such forms as may be required by Lender, stating the unpaid balance of the Note, and any other indebtedness secured hereby, and that there are no offsets or defenses against full payment of the Note, and any other indebtedness secured hereby, and performance of the terms hereof, or if there are any such offsets and defenses, specifying them.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. Borrower shall not surrender the leasehold estate and interests herein conveyed or terminate or cancel the ground lease. Borrower shall not, without the express written consent of Lender, alter or amend the ground lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Intentionally left blank.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges; Expenses; Indemnification; Usury. To the extent not prohibited by applicable law, Borrower will pay all costs and expenses and reimburse Lender for any and all expenditures of every character, including, but not limited to, the fees and expenses of counsel for Lender, incurred or expended from time to time, regardless of whether a default or event of default shall have occurred, in connection with: (a) Lender's evaluating, monitoring, administering and protecting the Property, (b) Lender's creating, perfecting or realizing upon Lender's security interest in and liens on the Property, and (c) all costs and expense relating to Lender's exercising any of its rights and remedies under this or any of the other security instruments or at law, including, without limitation, all inspection and valuation fees, appraisal fees, consulting fees, filing fees, taxes, brokerage fees and commissions, title review and abstract fees, Uniform Commercial Code search fees, other fees and expenses incident to title searches, reports and security interests, escrow fees, attorney's fees, legal expenses, court costs, any and all fees and expenses reasonably incurred relating to future advances and/or transfer of title to the Property and similar matters, fees and expenses incurred in connection with it; provided, that no right or option granted by Borrower to Lender or otherwise arising pursuant to any provision of this or any other instrument shall be deemed to impose or admit a duty on the Lender to supervise, monitor or control any aspect of the character or condition of the Property or any operations conducted in connection with it for the benefit of Borrower or any other person or entity other than the Lender. Fees charged hereunder specifically include, but are not limited to, a Collection Fee of \$450.00 payable to Lender/Servicer for engagement of an attorney for default proceedings, which fee does not include the actual attorney fees; a Force Place Fee of \$450.00 payable to Lender/Servicer as compensation for placement of insurance on the property, which fee does not include the actual insurance costs; a Loan Payoff Fee of \$75.00 payable to Lender/Servicer for preparation of Loan Payoff Statements; and a Recording Fee of \$100 payable to Lender/Servicer for handling documentation, transfers, estoppel agreements, entity changes, etc., which fee does not include actual recording costs payable to the appropriate County or other legal entity. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law. Borrower agrees to indemnify, defend and hold the Lender, its directors, officers and employees (collectively, "Indemnified Parties") harmless from and against any and all loss, liability, obligation, damage, penalty, judgment, claim, deficiency and expense (including interest, penalties, attorneys' fees and amounts paid in settlement), regardless of whether the same was caused in whole or in part by the negligence of any of the Indemnified Parties, to which the Indemnified Parties may

become subject arising out of or in connection with this Agreement, the Note, any other security instruments hereto or any transaction contemplated herein (other than those which arise by reason of the gross negligence of the Lender). Any amount to be paid hereunder by the Borrower to the Lender shall be a demand obligation owing by the Borrower to the Lender and shall bear interest from the date of expenditure at the rate as prescribed by the Note.

If the Loan, which for purposes of this Section 14 includes any Additional Loan and Other Indebtedness, is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower (Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge); and (c) any provisions in this Deed of Trust which do, or would, presently and prospectively, operate to make this Deed of Trust or any part thereof void, voidable or ineffective, then such provisions only shall be held for naught and as though not herein contained and shall be without effect upon or prejudice to the remaining provisions, which shall nevertheless remain operative.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail, or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the address appearing beneath Borrower's signature hereon, unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of any gender shall mean and include all genders and corresponding neuter words; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

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

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

It shall be a default hereunder if all or any part of the Property or any Interest in the Property, other than sales of standard inventory items of personal property in the ordinary course of Borrower's business, is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, in which case Lender may require immediate payment in full of all sums secured by this Security Instrument, regardless of whether the purchaser or transferee

assumes the indebtedness hereby secured or takes subject to such indebtedness. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender does not exercise this option, Lender may, without notice to Borrower, deal with such successor in interest with reference to this Deed of Trust and to said debt in the same manner as with Borrower without in any way discharging Borrower's liability hereunder or upon the debt; no sale of the Property shall operate to release, modify, change, or affect the original liability of Borrower, either in whole or in part.

19. Intentionally left blank.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. This paragraph shall not operate as to modify any provision of Section 22 below and shall not operate to require any notice regarding the matters set forth in Section 22 in addition to the notice requirements contained therein.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined, or become defined, as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection, each as amended from time to time; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary

remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

Borrower shall indemnify, defend and hold Lender harmless from and against; (a) any loss, costs, expense, claim or liability arising out of any investigation, monitoring, clean-up, containment, removal, storage, remedial or restoration work ("Remedial Work") required by Lender, or any non-governmental entity or person, or any governmental agency or political subdivision which requires Remedial Work upon a reasonable belief that the Remedial Work is required by the Environmental Laws; and (b) any claims of third parties for loss, injury, expense or damage arising out of the use, presence, treatment, generation, release, discharge, disposal or transportation of any Hazardous Substance on, under, in, above, to or from the Property. In the event any Remedial Work is so required under applicable Environmental Laws, Borrower shall perform or cause to be performed the Remedial Work in compliance with all Environmental Laws. All Remedial Work shall be performed by one or more contractors under the supervision of a consulting engineer, each contractor and the consulting engineer being selected by Borrower and approved in advance in writing by Lender. Borrower shall promptly provide the Lender with copies of the remedial plan and allow the Lender to attend meetings among Borrower, the consulting engineer, the contractors and any regulatory authority. In the event Borrower shall fail to commence the Remedial Work in a timely fashion or fail to prosecute diligently the Remedial Work to completion, Lender may, but shall not be required to, cause the Remedial Work to be performed, subject fully to the indemnification provisions of this section. It shall not be necessary for the Lender to incur any expense to enforce this indemnification, and the indemnification contained herein shall survive repayment of the Note and release of the lien of this Deed of Trust and shall be fully applicable notwithstanding any negligence on the part of any Indemnified Party. The liabilities and covenants of Borrower hereunder may not be assigned, and any such assignment shall be null and void without the Lender's prior written consent.

22. Default, Breach, Remedies. Following Borrower's default or breach of any covenant or agreement in this Security Instrument, Lender, at its option, without notice, may pursue any rights and remedies it may have hereunder or at law, or in equity, and Lender may, without limitation and without notice of any kind (including notice of intention to accelerate maturity), declare the entire indebtedness secured hereby immediately due and payable, whereupon it shall be so due and payable, and may invoke the power of sale, and any other remedies permitted by applicable law, and Borrower hereby authorizes and empowers the Trustee, and any successor Trustee, at the request of Lender, at any time during the continuance of any default, to sell all or any portion of the Property, at public auction, to the highest bidder, for cash, at the door of the County Courthouse of the county in Texas in which such Property or any part thereof is situated, as herein described, between the hours of 10:00 o'clock a.m. and 4:00 o'clock p.m. on the first Tuesday of any month after giving notice of the time, place and terms of said sale, and the property to be sold, as follows: If Lender invokes the power of sale, Lender, its designee, or Trustee shall give notice, at least 21 days before the date of the sale, of the date, time, place and terms of sale as provided in Chapter 51 of the Texas Property Code, by posting at the courthouse door of each county in which the property is located a written notice designating the county in which the property will be sold, filing in the office of the county clerk of each county in which the property is located a copy of the notice posted at the courthouse door, and serving written notice of the sale by certified mail on each debtor who, according to the records of the mortgage servicer of the debt, is obligated to pay the debt, which service shall be completed upon deposit of the notice, enclosed in a postpaid wrapper, properly addressed to such debtor at the most recent address as shown by the records of Lender, in a post office or official depository under the care and custody of the United States Postal Service, and 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.

Waivers. Borrower 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 Property, 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 or extending a period of redemption from any sale made in collecting said debt, commonly known as Stay Laws and Redemption Laws, and Borrower hereby agrees and contracts that the laws of the State of Texas, save as above excepted, now in force relative to the collection of said debt and the application to the payment thereof, are expressly adopted and made a part hereof. To the extent that Borrower may lawfully do so, Borrower agrees that Borrower shall not assert and hereby expressly waives, any right under any statute or rule of law pertaining to the marshalling of assets, the exemption of homestead, the administration of estates of decedents, or other

matter whatever to defeat, reduce or affect the right of Lender, under the terms of this Deed of Trust, to sell the Property for the collection of the indebtedness secured hereby (without any prior or different resort for collection) or right of Lender, under the terms of this Deed of Trust, to the payment of such indebtedness out of the proceeds of sale of the Property in preference to every other person and claimant whatever (only reasonable expenses of such sale being first deducted). Borrower expressly waives and relinquishes any right or remedy which it or they may have or be able to assert by reason of the provisions of Chapter 43 of the Civil Practice and Remedies Code of the State of Texas, as amended or re-codified, pertaining to the rights and remedies of sureties.

Notwithstanding any notice provisions elsewhere herein, notice of such sale given in accordance with the requirements of the applicable law of the State of Texas in effect at the time of such sale shall constitute sufficient notice of such sale.

Lender or its designee may purchase the Property at any sale.

Trustee. Borrower hereby authorizes and empowers the Trustee to sell all or any portion of the Property, together or in lots or parcels, as the 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 with covenants of general warranty made on behalf of the Borrower, and Borrower covenants and agrees to defend generally the purchaser's title to the Property against all claims and demands. In no event shall the Trustee be required to exhibit, present or display at any such sale any of the Personalty described herein to be sold at such sale. The Trustee making such sale shall receive the proceeds thereof and shall apply the same as follows: (i) first, he shall pay the reasonable expense of executing this trust including a reasonable Trustee's fee for commission and attorney's fees and costs of title evidence; (ii) second, he shall pay, so far as may be possible, the indebtedness secured hereby, discharging first that portion of the indebtedness arising under the covenants or agreements herein contained and not evidenced by the Note; (iii) third, he shall pay the residue, if any, to the person or persons legally entitled thereto. Payment of the purchase price to the Trustee shall satisfy the obligation of the purchaser at such sale therefor, and such purchaser shall not be bound to look after the application thereof. The sale or sales by the Trustee of less than the whole of the Property shall not exhaust the power of sale herein granted, and the Trustee is specifically empowered to make successive sale or sales under such power until the whole of the Property shall be sold; and if the proceeds of such sale or sales of less than the whole of such Property shall be less than the aggregate of the indebtedness secured hereby and the expense of executing this trust, this Deed of Trust and the lien, security interest and assignment hereof shall remain in full force and effect as to the unsold portion of the Property just as though no sale or sales had been made; provided, however, that Borrower shall never have any right to require the sale or sales of less than the whole of the Property but Lender shall have the right, at its sole election, to request the Trustee to sell less than the whole of the Property.

Deficiency. Regardless of whether all or any portion of the Property is sold pursuant to this Deed of Trust, or any action is taken by Lender to mitigate its damages, or Lender receives anything of value from any party to be applied to the Loan, Additional Loans, or Other Indebtedness, or any other debt secured hereby, Borrower shall remain personally liable for such Loan, Additional Loans, Other Indebtedness, or other debt, and Borrower hereby waives any law, statute, or provision which purports to relieve Borrower of the obligation to pay the same, and Borrower remains liable for any remaining deficiency.

Unmatured. If default is made hereunder, the holder of the indebtedness or any part thereof on which the payment is delinquent shall have the option to proceed with foreclosure in satisfaction of such item either through judicial proceedings or by directing the Trustee to proceed as if under a full foreclosure, conducting the sale as herein provided without declaring the entire indebtedness secured hereby due and if sale is made because of default of an installment, or a part of an installment, such sale may be made subject to the unmatured part of the Note and other indebtedness secured by this Deed of Trust; and it is agreed that such sale, if so made, shall not in any manner affect the unmatured part of the indebtedness secured by this Deed of Trust, but as to such unmatured part, this Deed of Trust shall remain in full force and effect as though no sale had been made under the provisions of this paragraph. Several sales may be made hereunder without exhausting the right of sale for any unmatured part of the indebtedness secured hereby.

In case of any sale hereunder, all prerequisites to the sale shall be presumed to have been performed, and in any conveyance given hereunder, all statements of facts, or other recitals therein made as to the nonpayment of money secured, or as to the request to the Trustee to enforce this trust, or as to the property

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.

The purchaser at any Trustee's or foreclosure sale hereunder may disaffirm any easement granted, or rental, lease or other contract made, in violation of any provision of this Deed of Trust and may take immediate possession of the Property free from, and despite the terms of, such grant of easement and rental or lease contract.

Tenancy. In the event of a Trustee's sale hereunder and if at the time of such sale the Borrower, or any person holding possession of the Property through Borrower, occupies, or otherwise fails to immediately surrender possession of the Property to the purchaser at that sale the portion of the Property so sold, or any part thereof, the same shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either tenant or landlord, at a reasonable rental per day based upon the value of the portion of the Property so occupied, such rental to be due and payable daily to the purchaser. An action of forcible detainer shall lie if the tenant holds over after a demand in writing for possession of such Property; and this agreement and any Trustee's deed shall constitute a lease and agreement under which the tenant's possession, each and all, arose and continued.

Other actions. Following Borrower's default or breach of any covenant or agreement in this Security Instrument, Lender or Trustee, in addition to any rights and powers set forth elsewhere herein, shall have the right and power to proceed by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for any foreclosure hereunder or for the sale of the Property under the judgment or decree of any court or courts of competent jurisdiction, or for the appointment of a receiver pending any foreclosure hereunder or the sale of the Property under the order of a court or courts of competent jurisdiction or under executory or other legal process, or for the enforcement of any other appropriate legal or equitable remedy. The Borrower agrees, to the full extent that they or it lawfully may, that in case one or more of the defaults hereunder shall have occurred and shall not have been remedied, then, and in every such case, the Lender shall have the right and power to enter into and upon and take possession of all or any part of the Property in the possession of Borrower, their or its successors or assigns, or its or their agents or servants and may exclude the Borrower, its or their successor assigns and all persons claiming under the Borrower, and its or their agents or servants, wholly or partly therefrom; and holding the same, the Lender may use, administer, manage, operate and control the Property and conduct the business thereof to the same extent as the Borrower, its successors or assigns, might at the time do and may exercise all rights and powers of the Borrower, in the name, place and stead of the Borrower, or otherwise as the Lender shall deem best; and in the exercise of any of the foregoing rights and powers Lender shall not be liable to Borrower for any loss or damage thereby sustained unless due solely to the willful misconduct or gross negligence of Lender.

23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall provide a release of this Security Instrument to Borrower or Borrower's designated agent in accordance with Applicable Law. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Substitute Trustee; Trustee Liability. All rights, remedies and duties of Trustee under this Security Instrument may be exercised or performed by one or more trustees acting alone or together. Lender, at its option and with or without cause, may from time to time, by power of attorney or otherwise, remove or substitute any trustee, add one or more trustees, or appoint a successor trustee to any Trustee without the necessity of any formality other than a designation by Lender in writing. Without any further act or conveyance of the Property the substitute, additional or successor trustee shall become vested with the title, rights, remedies, powers and duties conferred upon Trustee herein and by Applicable Law.

Trustee shall not be liable if acting upon any notice, request, consent, demand, statement or other document believed by Trustee to be correct. Trustee shall not be liable for any act or omission unless such act or omission is willful.

25. Subrogation. Any of the proceeds of the Note used to take up outstanding liens against all or any part of the Property have been advanced by Lender at Borrower's request and upon Borrower's representation that such amounts are due and are secured by valid liens against the Property. Lender shall be subrogated to any and all rights, superior titles, liens and equities owned or claimed by any owner or

holder of any outstanding liens and debts, regardless of whether said liens or debts are acquired by Lender by assignment or are released by the holder thereof upon payment.

26. Partial Invalidity. In the event any portion of the sums intended to be secured by this Security Instrument cannot be lawfully secured hereby, payments in reduction of such sums shall be applied first to those portions not secured hereby.

27. Purpose of Loan. No part of the Property shall be occupied by Borrower, or Borrower's spouse, as its primary residence. Borrower agrees that no part of the property is the homestead or primary residence of Borrower or Borrower's spouse. The purpose of the Loan, Additional Loans, Other Indebtedness, and any other debt secured by this Deed of Trust is solely business and/or commercial.

28. Intentionally left blank.

ADDITIONAL COVENANTS

1. Cross-Default. That Borrower shall punctually and properly form all of Borrower's covenants, obligations, and liabilities under any other security agreement, mortgage, deed of trust, collateral pledge agreement, contract, assignment, loan agreement or any other instrument or agreement of any kind now or hereafter existing as security for, executed in connection with, or related to the indebtedness or other obligations secured hereby, or any part thereof.

2. Compliance. That Borrower will comply with all valid governmental laws, ordinances and regulations applicable to the Mortgaged Premises and its ownership, use and operation and to comply in all material respects with easements, restrictions agreements, covenants and conditions encumbering the Property.

3. Further Assurances. Borrower shall, upon request by Lender at any time and from time to time, execute and deliver to Lender any and all additional instruments and further assurances, and do all other acts and things as may be necessary or proper in Lender's reasonable opinion to effect the intent of this Deed of Trust, more fully evidence and perfect the rights, titles, liens and security interests herein created or intended to be created and protect the rights, remedies, powers and privileges of Lender hereunder.

4. Financial Statements. Borrower shall, upon request of Lender at any time and from time to time, furnish to Lender, within FIVE (5) days of such request, the current financial statements itemizing the income and expenses of the Property in such detail as shall be reasonably satisfactory to Lender, and such financial statements and reports relating to Borrower and Borrower's business affairs as Lender may reasonably request.

5. Corporate Good Standing. Borrower shall, if Borrower is a corporation, maintain continuously Borrower's corporate existence, good standing, and its right to do business in Texas and in each other state where any part of the Property is situated.

6. Financing Statement. With respect to any personal property herein described, this Deed of Trust shall constitute a Security Agreement between Borrower and Lender, and, cumulative of all other rights of Lender hereunder, Lender shall have all of the rights conferred upon secured parties by the Uniform Commercial Code, as amended, as to the Property. This Deed of Trust, as a Financing Statement, covers Borrower's interests in the following types of property, if any: Minerals, crops and goods that are, or are to become, fixtures as more fully described herein, and related to the Property, 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 mineral, crop and fixture filing from the date of its filing for record in the Real Estate Records of the County in which the land is located. Until the lien of this Deed of Trust is released or satisfied of record, Borrower agrees, if requested by Lender, to execute one or more Financing Statements covering such personal property, in the manner and form required by law and to the satisfaction of Lender. Borrower agrees to pay Lender's charge, to the maximum amount permitted by law, for any statement by Lender regarding the obligations secured by this Deed of Trust, requested by Borrower or on behalf of Borrower. On demand, Borrower will promptly pay all costs and expenses of filing Financing Statements, continuation statements, partial releases and termination statements deemed necessary or appropriate by Lender to establish and maintain the validity and priority of the security interest of Lender or any modification thereof, and all costs and expenses of any searches reasonably required by Lender. Lender may exercise any or all of the remedies of a secured party available to it under the Uniform Commercial Code, as amended, with respect to such personal property, and it is expressly agreed that if upon default Lender should proceed to dispose of the collateral in accordance with the provisions of the Uniform Commercial Code, as amended,

ten (10) days' notice by Lender to Borrower shall be deemed to be reasonable notice under any provision of the Uniform Commercial Code, as amended, requiring such notice; provided, however, that Lender may at its option dispose of the collateral in accordance with Lender's rights and remedies in respect of the real property pursuant to the provisions of this Deed of Trust, in lieu of proceeding under the Uniform Commercial Code, as amended.

7. Construction Mortgage. This Deed of Trust constitutes a "construction mortgage" as defined in the Uniform Commercial Code as enacted in Texas, and secures an obligation incurred for the construction of improvements on the real property described herein. Borrower shall use the proceeds of such construction loan to construct improvements on the Property according to Plans and Specifications submitted to Lender, and any such improvements, and all building materials and supplies placed on the Property, shall constitute additional security for the repayment of such construction loan and other obligations hereby secured. Further, all plans and specifications, permits and all contracts and subcontracts, all accounts and monies due Borrower and any and all other rights, interests and privileges of Borrower in connection with said construction project shall constitute additional security for the indebtedness and obligations hereby secured. Borrower further covenants and agrees that it will comply with all state, federal and other governmental architectural barriers laws and regulations governing such construction.

THIS WRITTEN LOAN AGREEMENT 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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

EXECUTED on January 6th, 2022.

BORROWER:



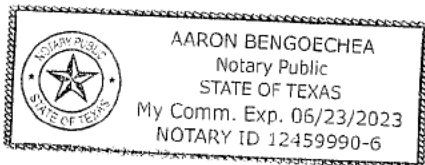
Borrower's Mailing/Notice Address:
[Redacted]

ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF Bexar

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The foregoing instrument was acknowledged before me on this 6th day of January, 2022, by Belinda Vrana, Manager of 626 Terrel Rd Vrana, LLC.



A-B
Notary Public, State of Texas