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DEED OF TRUST

Date: September 1, 1998

Grantor: JOHN WAYNE DENISON, Individually, and as Independent Executor of the Estate of IDA BALDWIN DENISON, Deceased, and as Trustee of the BOB MARSHALL DENISON TRUST created under the terms and provisions of the Last Will and Testament of IDA BALDWIN DENISON, Deceased.

Grantor's Mailing Address (including county):

RR 1, Box 84
Old Glory, Stonewall County, Texas 79540

Trustee: S. H. HART

Trustee's Mailing Address (including county):

P.O. Drawer A
Aspermont, Stonewall County, Texas 79502

Beneficiary: THE FIRST NATIONAL BANK OF ASPERMONT, TEXAS

Beneficiary's Mailing Address (including county):

P.O. Drawer A
Aspermont, Stonewall County, Texas 79502

Note(s)

Date: September 1, 1998

Amount: TWO HUNDRED SIXTY THOUSAND THREE HUNDRED NINETY-SEVEN AND 80/100 DOLLARS (\$260,397.80)

Maker: JOHN WAYNE DENISON, Individually, and as Independent Executor of the Estate of IDA BALDWIN DENISON, Deceased, and as Trustee of the BOB MARSHALL DENISON TRUST created under the terms and provisions of the Last Will and Testament of IDA BALDWIN DENISON, Deceased.

Payee: THE FIRST NATIONAL BANK OF ASPERMONT, TEXAS

Final Maturity Date: March 1, 1999.

Terms of Payment (optional): As provided in the Note.

Property (including any improvements):

THE SURFACE ONLY of the following described land in Stonewall County, Texas

TRACT ONE: All of Survey No. 169, Block D, H.&T.C R.R. Co. Survey, Abstract No. 296, Certificate No. 30/2567, Stonewall County, Texas

TRACT TWO: All of Survey No. 170, Block D, H.&T.C. R.R. Co. Survey, Abstract No. 1545, Certificate No. 30/2567, Stonewall County, Texas

TRACT THREE: All of the North 200 acres of Survey No. 168, Block D, H.&T.C. R.R. Co. Survey, Abstract No. 1415, Certificate No. 30/2566, Stonewall County, Texas

Prior Lien(s) (including recording information): None.

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Other Exceptions to Conveyance and Warranty:

SAVE, EXCEPT and all of Grantor's right, title and interest in and to ALL of the oil, gas and other minerals which are in, on, under, or that may be produced from the above-described land.

For value received and to secure payment of the Note, Grantor conveys the property to Trustee in trust. Grantor warrants and agrees to defend the title to the property. If Grantor performs all the covenants and pays the note according to its terms, this deed of trust shall have no further effect, and Beneficiary shall release it at Grantor's expense.

GRANTOR'S OBLIGATIONS

Grantor agrees to:

1. keep the property in good repair and condition;
2. pay all taxes and assessments on the property when due;
3. preserve the lien's priority as it is established in this deed of trust; and
4. if this is not a first lien, pay all prior notes that Grantor is personally liable to pay and abide by all prior lien instruments.

BENEFICIARY'S RIGHTS

1. Beneficiary may appoint in writing a substitute or successor trustee, succeeding to all rights and responsibilities of Trustee.
2. If the proceeds of the note are used to pay any debt secured by prior liens, Beneficiary is subrogated to all of the rights and liens of the holders of any debt so paid.
3. Beneficiary may apply any proceeds received under the insurance policy either to reduce the note or to repair or replace damaged or destroyed improvements covered by the policy.
4. If Grantor fails to perform any of Grantor's obligations, Beneficiary may perform those obligations and be reimbursed by Grantor on demand at the place where the note is payable for any sums so paid, including attorney's fees, plus interest on those sums from the dates of payment at the rate stated in the note for matured, unpaid amounts. The sum to be reimbursed shall be secured by this deed of trust.
5. If Grantor defaults on the note or fails to perform any of Grantor's obligations or if default occurs on a prior lien note or other instrument, and the default continues after Beneficiary gives Grantor notice of the default and the time within which it must be cured, as may be required by law or by written agreement, then Beneficiary may:
 - a. declare the unpaid principal balance and earned interest on the note immediately due;
 - b. request Trustee to foreclose this lien, in which case Beneficiary or Beneficiary's agent shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended; and

- c. purchase the property at any foreclosure sale by offering the highest bid and then have the bid credited on the note.

TRUSTEE'S DUTIES

If requested by Beneficiary to foreclose this lien, Trustee shall:

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then amended;
2. sell and convey all or part of the property to the highest bidder for cash with a general warranty binding Grantor, subject to prior liens and to other exception to conveyance and warranty; and
3. from the proceeds of the sale, pay, in this order:
 - a. expenses of foreclosure, including a commission to Trustee of 5% of the bid;
 - b. to Beneficiary, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;
 - c. any amounts required by law to be paid before payment to Grantor; and
 - d. to Grantor, any balance.

GENERAL PROVISIONS

1. If any of the property is sold under this deed of trust, Grantor shall immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor shall become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.
2. Recitals in any Trustee's deed conveying the property will be presumed to be true.
3. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.
4. This lien shall remain superior to liens later created even if the time of payment of all or part of the note is extended or part of the property is released.
5. If any portion of the note cannot be lawfully secured by this deed of trust, payments shall be applied first to discharge that portion.
6. Grantor assigns to Beneficiary all sums payable to or received by Grantor from condemnation of all or part of the property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the property. After deducting any expenses incurred, including attorney's fees, Beneficiary may release any remaining sums to Grantor or apply such sums to reduce the note. Beneficiary shall not be liable for failure to collect or to exercise diligence in collecting any such sums.

7. If Grantor defaults in payment of the note or performance of this deed of trust, Beneficiary may terminate Grantor's license to collect and then as Grantor's agent may rent the property if it is vacant and collect all rent and other income and receipts. Beneficiary neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the property. Beneficiary may exercise Beneficiary's rights and remedies under this paragraph without taking possession of the property. Beneficiary shall apply all rent and other income and receipts collected under this paragraph first to expenses incurred in exercising Beneficiary's rights and remedies and then to Grantor's obligations under the note and this deed of trust in the order determined by Beneficiary. Beneficiary is not required to act under this paragraph, and acting under this paragraph does not waive any of Beneficiary's other rights or remedies. If Grantor becomes a voluntary or involuntary bankrupt, Beneficiary's filing a proof of claim in bankruptcy will be tantamount to the appointment of a receiver under Texas law.
8. Interest on the debt secured by this deed of trust shall not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law; any interest in excess of that maximum amount shall be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayments, any such excess shall be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides other provisions in this and all other instruments concerning the debt.
9. When the context requires, singular nouns and pronouns include the plural.
10. The term note includes all sums secured by this deed of trust.
11. This deed of trust shall bind, inure to the benefit of, and be exercised by successors in interest of all parties.
12. If Grantor and Maker are not the same person, the term Grantor shall include Maker.
13. Grantor represents that this Deed of Trust and the Note are given for the following purposes: The Note renews and extends the balance of \$260,397.80 (principal and interest) that Grantor owes on a prior note in the original principal sum of \$230,000.00, which is dated March 14, 1996, executed by IDA BALDWIN DENISON (spa IDA MARR DENISON) and husband, BILLY WAYNE DENISON, and payable to the order of THE FIRST NATIONAL BANK of Aspermont, Texas. The prior note is more fully described in and secured by a deed of trust on the property, which is dated March 14, 1996, and recorded in Volume 80, Page 309, of the Deed of Trust Records of Stonewall County, Texas. Grantor expressly acknowledges that the lien securing the prior note is valid, that it subsists against the property, and that by this instrument it is renewed and extended in full force to secure payment of the note.
14. Grantor represents to Beneficiary that no part of the property is exempt as homestead from forced sale under the Texas Constitution or other laws.

15. If all or any part of the property securing said Note is sold or transferred without the prior written consent of Beneficiary, Beneficiary may, at its sole option, declare all sums remaining unpaid, including interest due or accrued thereon, to be immediately due and payable. In that event, Beneficiary will notify Grantor that the debt is payable; if it is not paid within sixty (60) days after notice to Grantor, Beneficiary may, without further notice or demand to Grantor invoke any remedies provided in this instrument for default. Beneficiary shall waive this option to accelerate if, prior to the sale or transfer, Beneficiary and the person or persons to whom the property is to be sold or transferred reach an agreement in writing that (1) the creditworthiness of such person is satisfactory to Beneficiary, (2) the terms and conditions of the sale or transfer of the property are satisfactory to Beneficiary, (3) the property is in good repair and the value of such has not diminished, deteriorated or been impaired in any way since the date hereof except for normal wear and tear, and (4) the interest rate shall be adjusted to such rate as Beneficiary shall require, provided such rate does not exceed the interest rate Beneficiary is then offering on new loans of a type and for purposes similar to the purpose for which said Note was given as of its making, and Beneficiary and such proposed transferee shall have executed an Assumption Agreement acceptable to Beneficiary. Such interest rate will thereafter be the interest rate for purposes of subsequent Interest Rate Adjustments based upon the Index Value in effect as of the assumption date. All other terms and conditions of said Note will continue to be in full force and effect and be unmodified. Upon the written agreement between the Beneficiary and the person to whom the property is to be sold or transferred, Grantor hereof shall be released from all obligations hereunder.

John Wayne Denison, Ind. Ex.
 JOHN WAYNE DENISON,
 Individually, and as
 Independent Executor of the
 Estate of IDA BALDWIN DENISON,
 Deceased, and as Trustee of the
 BOB MARSHALL DENISON TRUST
 created under the terms and
 provisions of the Last Will and
 Testament of IDA BALDWIN
 DENISON, Deceased

(Acknowledgment)

STATE OF TEXAS)(
 COUNTY OF STONEWALL)(
)

This instrument was acknowledged before me on the 8th day of September, 1998, by JOHN WAYNE DENISON, Individually, and as Independent Executor of the Estate of IDA BALDWIN DENISON, Deceased, and as Trustee of the BOB MARSHALL DENISON TRUST created under the terms and provisions of the Last Will and Testament of IDA BALDWIN DENISON, Deceased.

[Signature]
 NOTARY PUBLIC
 State of Texas

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Filed for record this the 8 day of September 1998 at 2 o'clock PM.
 Recorded this the 8 day of September 1998 at 2 o'clock PM.
 Betty L. Smith, County Clerk. By [Signature] Deputy Clerk.