

1306281

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

DEED OF TRUST

Date: SEPTEMBER 22nd, 2013

Grantor: NICHOLAS HLUCHAN and wife, PANAGIOTA HLUCHAN

Grantor's Mailing Address (including County):

25230 Clover Ranch Drive, Katy, Fort Bend County, Texas 77494

Trustee: BRADLEY A. BURTTSCHELL

Trustee's Mailing Address (including county):

P. O. Box 600, Sealy, Austin County, Texas 77474

Beneficiary: CITIZENS STATE BANK, Sealy, Texas

Beneficiary's Mailing Address (including county):

P. O. Box 600, Sealy, Austin County, Texas 77474

Note:

Date: SEPTEMBER 23rd, 2013

Amount: \$100,000.00

Maker: NICHOLAS HLUCHAN and wife, PANAGIOTA HLUCHAN

Payee: CITIZENS STATE BANK, Sealy, Texas

Final Maturity Date: SEPTEMBER 23rd, 2018

Terms of Payment: as therein provided

Property (including any improvements):

All that certain 2.4229 acre tract of land situated in the H. & T. C. R.R. Survey, A-202, Waller County, Texas, being a part of and out of the original survey of the H. & T. C. R.R. Survey, Section 123, A-202, Waller County, Texas, dated January 31, 1854, being more particularly described in Exhibit "A" attached hereto and made a part hereof for all purposes pertinent.

Prior Lien(s) (including recording information):

NONE

Other Exceptions to Conveyance and Warranty:

1. Those certain Restrictive Covenants recorded in Volume 643, Page 459, of the Official Public Records of Waller County, Texas.
2. Right of way easement granted to Magnolia Petroleum Company as set forth in instrument recorded in Volume 48, Page 287, of the Deed Records of Waller County, Texas.
3. Right of way easement granted to Stanolind Oil and Gas Company as set forth in instrument recorded in Volume 74, Page 516, of the Deed Records of Waller County, Texas.
4. Right of way easement granted to Houston Pipe Line Company as set forth in instrument recorded in Volume 87, Page 246, of the Deed Records of Waller County, Texas.
5. Right of way easement granted to Tennessee Gas and Transmission Company as set forth in instrument recorded in Volume 94, Page 121, of the Deed Records of Waller County, Texas.
6. Right of way easement granted to Tennessee Gas Transmission Company as set forth in instrument recorded in Volume 109, Page 320, of the Deed Records of Waller County, Texas, together with the terms, conditions and provisions contained therein.
7. Right of way easement granted to Tennessee Gas Transmission Company as set forth in instrument recorded in Volume 124, Page 409, of the Deed Records of Waller County, Texas, together with the terms, conditions and provisions contained therein.
8. Right of way easement granted to Transcontinental Gas Pipe Line Corporation as set forth in instrument recorded in Volume 221, Page 409, of the Deed Records of Waller County, Texas, together with the terms, conditions and provisions contained therein.

9. Right of way easement granted to Acacia Natural Gas Corporation as set forth in instruments recorded in Volume 580, Page 100, and Volume 582, Page 411, of the Official Public Records of Waller County, Texas, together with the terms, conditions and provisions contained therein.
10. Right of way easement granted to Brookshire-Katy Drainage District as set forth in instrument recorded in Volume 585, Page 30, of the Official Public Records of Waller County, Texas, together with the terms, conditions and provisions contained therein.
11. Oil, gas and mineral lease dated September 16, 1933, recorded in Volume 62, Page 386, of the Deed Records of Waller County, Texas, in favor of Chas. Mabry.
12. One-half (1/2) of all the oil, gas and other minerals, the royalties, bonuses, rentals and all other rights in connection with the same, as set forth in instrument recorded in Volume 64, Page 379, and ratified in Volume 66, Page 458, of the Deed Records of Waller County, Texas. Surface rights not waived therein.
13. Pooling Agreement recorded in Volume 94, Page 301, of the Deed Records of Waller County, Texas, together with the terms, conditions and provisions contained therein.
14. 89/100ths interest in and to all the oil, gas and other minerals, the royalties, bonuses, rentals and all other rights in connection with same as set forth in instrument recorded in Volume 102, Page 311, of the Deed Records of Waller County, Texas. Surface rights not waived therein.
15. 11/100ths interest in and to all the oil, gas and other minerals, the royalties, bonuses, rentals and all other rights in connection with same as set forth in instrument recorded in Volume 102, Page 374, of the Deed Records of Waller County, Texas. Surface rights not waived therein.
16. Remainder of all the oil, gas and other minerals, the royalties, bonuses, rentals and all other rights in connection with same as set forth in instrument recorded in Volume 643, Page 459, of the Official Public Records of Waller County, Texas. Surface rights waived therein.
17. Building setback line, 50 feet in width, along the front property line, as recorded in Volume 643, Page 459, of the Official Public Records of Waller County, Texas.
18. Building setback line, 25 feet in width, along the side property lines, as recorded in Volume 643, Page 459, of the Official Public Records of Waller County, Texas.

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;
4. Maintain, in a form acceptable to Beneficiary, an insurance policy that:
 - a. covers all improvements for their full insurable value as determined when the policy is issued and renewed, unless Beneficiary approves a smaller amount in writing;
 - b. contains an 80% coinsurance clause;
 - c. provides fire and extended coverage, including windstorm coverage;
 - d. protects Beneficiary with a standard mortgage clause;
 - e. provides flood insurance at any time the property is in a flood hazard area; and
 - f. contains such other coverage as Beneficiary may reasonably require;
5. Comply at all times with the requirements of the 80% coinsurance clause;
6. Deliver the insurance policy to Beneficiary and deliver renewals to Beneficiary at least ten days before expiration;
7. Keep any buildings occupied as required by the insurance policy; and
8. If this is not a first lien, pay all prior lien 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 defaults continue, after Beneficiary gives Grantors notice of the default and the time within which it must be cured, as may be required by law or 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 exceptions 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. Proceedings 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. Grantor assigns to Beneficiary absolutely, not only as collateral, all present and future rent and other income and receipts from the property. Leases are not assigned. Grantor warrants the validity and enforceability of the assignment. Grantor may as Beneficiary's licensee collect rent and other income and receipts as long as Grantor is not in default under the note or this deed of trust. Grantor will apply all rent and other income and receipts to payment of the note and performance of this deed of trust, but if the rent and other income and receipts exceed the amount due under the note and deed of trust, Grantor may retain the excess. 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 prepayment, 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:

Purpose Clause: The debt evidenced by the note is in part payment of the purchase price of the property; the debt is secured by this deed of trust and by a vendor's lien on the property, which is expressly retained in a deed of even date given by GREGORY R. LUKE and wife, AMY L. LUKE, to Grantor. This deed of trust does not waive the vendor's lien, and the two liens and the rights created by this instrument shall be cumulative. Beneficiary may elect to foreclose under either of the liens without waiving the other or may foreclose under both. The deed is incorporated into this deed of trust.

FOR ADDITIONAL PROVISIONS SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES PERTINENT.

Nicholas Hluchan
NICHOLAS HLUCHAN

Panagiota Hluchan
PANAGIOTA HLUCHAN

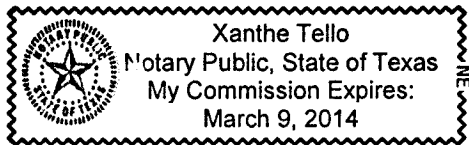
ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF Hidalgo

§
§
§

This instrument was acknowledged before me on the 27th day of September, 2013, by NICHOLAS HLUCHAN and PANAGIOTA HLUCHAN.



Xanthe Tello
NOTARY PUBLIC, STATE OF TEXAS

2.4229 acres of land situated in the H. & T.C. R.R. Survey, A-202, Waller County, Texas being a part of and out of the original survey of the H. & T.C. R.R. Survey, Section 123, A-202, Waller County, Texas dated January 31, 1854; said 2.4229 acres being more particularly described by metes and bounds as follows:

COMMENCING at a 5/8 inch iron rod found for the northeasterly corner of the H. & T.C. R.R. Survey, Section 123, A-202 being the centerline intersection of Morton Road (based on a width of 60.00 feet) and Bartlett Road (based on a width of 60.00 feet);

Thence, West, along the centerline of Morton Road, a distance of 50.00 feet to a point for corner;

Thence, S 00° 04' 34" W, a distance of 65.00 feet to a 5/8 inch iron rod set for the northeasterly corner and the POINT OF BEGINNING of the herein described lot;

Thence, S 00° 04' 34" W, a distance of 488.28 feet to a 5/8 inch iron rod set for the southeasterly corner of the herein described lot;

Thence, N 89° 54' 26" W, a distance of 210.00 feet to a 5/8 inch iron rod set for the southwesterly corner of the herein described lot;

Thence, N 00° 04' 34" E, a distance of 502.94 feet to a 5/8 inch iron rod set for the northwesterly corner of the herein described lot;

Thence, East a distance of 195.00 feet to a 5/8 inch iron rod set for corner;

Thence, S 44° 58' 03" E, a distance of 21.20 feet to the POINT OF BEGINNING and containing 2.4229 acres (105,540 square feet) of land, more or less.

EXHIBIT "B" TO DEED OF TRUST

In the event a portion of the indebtedness described herein cannot be lawfully secured by this Deed of Trust under the then applicable laws of the State of Texas on the aforesaid real property, it is agreed by the undersigned that the payments first made on the indebtedness secured hereby shall be applied to the discharge of that portion of said indebtedness which is not enforceable under the laws of the State of Texas in existence at that time.

PROPERTY COVERED HEREBY: The undersigned understand and agree that the property conveyed hereby and the lien created herein includes any and all buildings, improvements, and tenements now or hereafter erected thereon, all plans and specifications for the improvements, all permits, all fixtures, equipment, building materials, appliances, heating and/or air conditioning system, window coverings, floor coverings, exterior landscaping, building supplies, and goods of every nature whatsoever, except furniture, now or hereafter located on and/or affixed to the property, and all replacements, substitutions and additions thereto and all policies of insurance insuring said improvements or any part thereof.

SECURITY AGREEMENT: This Deed of Trust is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Grantor, as Debtor, hereby grant Beneficiary, as Secured Party, a security interest in all the property hereinabove described (including both those now and hereafter existing) to the full extent that such property may be subject to the Uniform Commercial Code-Secured Transactions (Chapter 9 of the Texas Business and Commerce Code) and covenant and agree with Secured Party that in addition to any other remedies granted in this Deed of Trust to the Secured Party or Trustee, the Secured Party may, in event of any default, proceed under the Uniform Commercial Code as to all or any part of the personal property (tangible or intangible) and fixtures included in the properties described herein (such portion of the properties being herein referred to as "collateral"), and shall have and may exercise with respect to the collateral all the rights, remedies and powers of Secured party under the Uniform Commercial Code. Certain of the collateral is or will become "fixtures" (as that term is defined in the Uniform Commercial Code) on the real estate hereinabove described and this Deed of Trust should be deemed to be and may be enforced from time to time as a Deed of Trust, Chattel Mortgage, Assignment, Contract, Security Agreement, Financing Statement or Lien on Machinery Situated on Realty, and from time to time as any one or more thereof, and shall constitute a "fixture filing" for the purposes of Article 9 of the Texas Uniform Commercial Code. Grantor agrees that Beneficiary may file this Deed of Trust, or reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the property. Any reproduction of this Deed of Trust or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Grantor agrees to execute and deliver to Beneficiary, upon Beneficiary's request, any financing statement, as well as extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Beneficiary may reasonably require. Without prior written consent of Beneficiary, Grantor shall not create or suffer to

be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Grantor's breach of any covenant or agreement of Grantor contained in this Deed of Trust, including the covenants to pay when due all sums secured by this Deed of Trust, Beneficiary shall have the remedies of a Secured Party under the Uniform Commercial Code and, at Lender's option, may also invoke the remedies provided in this Deed of Trust as to such items. In exercising any of said remedies, Beneficiary may proceed against the items of real property and any items of personal property specified above as part of the property separately or together and in any order whatsoever, without in any way affecting the availability of Beneficiary's remedies under the Uniform Commercial Code or of the remedies provided in this Deed of Trust.

ABSOLUTE ASSIGNMENT OF RENTALS: As part of the consideration for the note secured hereby and as provided in this deed of trust, the undersigned absolutely and unconditionally assign and transfer to the Holder of the note secured hereby all present and future rents and other income and receipts from the property described herein. Said absolute assignment of rentals as provided for herein shall not be deemed as a credit or payment upon the indebtedness secured by this deed of trust, except to the extent such rentals are actually collected by Holder and applied toward the payment of said indebtedness.

PAYMENT OF PROPERTY TAXES: Grantor covenants and agrees to pay, prior to the same becoming delinquent, all ad valorem taxes against the property which in whole or in part secure payment of the Note hereinabove described and renewed and extended. Grantor further covenants and agrees to provide Beneficiary evidence of timely payment of all ad valorem property taxes. Grantor agrees that the failure to timely pay said ad valorem taxes or to provide Beneficiary satisfactory evidence of payment of said ad valorem property taxes shall constitute a default of the terms and provisions of this Agreement, and Beneficiary without prior demand or notice of intention to accelerate, may mature the entire principal balance remaining unpaid, and it shall at once become due and payable, together with all interest as shall have then accrued and remaining unpaid thereon, and the liens securing payment of said Note shall be subject to foreclosure. Nothing contained herein shall preclude Beneficiary, in its sole discretion and without any obligation to do so, from advancing payment of such delinquent taxes. If Beneficiary elects to advance payment of such taxes, Grantor covenants and agrees to reimburse Beneficiary the amount so advanced together with interest as had account advanced from date of advancement until paid at the same rate as provided in the Note secured hereby within five days later demand is made upon Grantor for reimbursement of the same. Should Grantor fail to reimburse said sums in accordance herewith, Beneficiary may, at its sole option, institute an independent action for collection of such sums advanced together with recovery of interest accruing thereon, its attorney's fees and costs; or may treat said payment of taxes as an additional advancement of principal to the Grantor under the terms and provisions of the Note secured hereby and increase the unpaid principal balance of the Note secured hereby in an amount equal to the sum advanced for the payment of taxes, or may accelerate payment of the Note as hereinabove provided and seek recovery of the unpaid balance owing on the Note secured hereby together with such sums advanced or payment of taxes. Grantor covenants and agrees that this Deed of Trust lien shall extend to, cover and secure any advancements made by Beneficiary for payment of taxes together with interest accruing on such sums advanced at the rate hereinabove provided.

AD VALOREM PROPERTY TAX LOANS: During the term of this Loan, Grantor will not, without the prior written consent of Beneficiary, enter into a lending relationship, as borrower, with any taxing authority, person, or business entity for the payment of ad valorem taxes on the Mortgaged Property which loan will be secured by a real property tax lien created pursuant to the Texas Tax Code and which will take priority over the lien created by this Deed of Trust. If such tax lien does attach hereafter in any manner to any part of the Mortgaged Property without the prior written consent of Beneficiary, Grantor will cause the same to be promptly discharged and released. Grantor entering into such a lending relationship without the written consent of the Beneficiary or Grantor refusing to discharge and release the Mortgaged Property from such tax lien shall be an event of default under this Deed of Trust. Upon the occurrence of this event of default, Beneficiary may declare the Note immediately due and payable, whereupon all of the indebtedness shall be due and payable without demand, presentment for payment, notice of nonpayment, protest, notice of protest, notice of intent to accelerate, notice of acceleration and all other notices or further actions of any kind, all of which are hereby expressly waived by Grantor. Grantor hereby waives notice of intent to accelerate and notice of acceleration.

FINANCIAL INFORMATION, ACCESS TO PROPERTY AND ADDITIONAL DOCUMENTATION: Grantor covenants and agrees to furnish Beneficiary upon request current financial statements, profit and loss statements, rent rolls, appraisals by qualified and approved appraisers, title opinions and title policies, and such other reports or information as may be requested by or for the benefit of Beneficiary in connection with the Note secured hereby or in the enforcement of any of Beneficiary's rights or remedies hereunder, or both. Grantor further covenants and agrees Beneficiary and any officer, director, representative or employee thereof may enter upon the property at any reasonable time after first providing Grantor written notice of its intent to enter upon said property, for the purpose of conducting inspections upon the property, examining the property, securing an appraisal of the property, taking samples and/or testing for hazardous waste and/or securing a survey for the property. The failure to furnish such items when requested and to bear the expense therefor or the failure to allow Beneficiary or its representatives access to the property shall constitute a default entitling the holder of the Note secured hereby to exercise such rights and remedies as may be provided in this deed of trust, the Note secured hereby and/or as may be provided by law, including without limitation the right to declare the entire balance due and payable and proceed under the remedies provided in this deed of trust.

In the event that any of the documents evidencing and/or securing the note secured hereby mistake or inaccurately reflect the true and correct terms and provisions of said note and the misstatement or inaccuracy is due to a unilateral mistake on the part of Beneficiary, a mutual mistake on the part of Grantor and Beneficiary, or clerical error, then in any such event, Grantor shall upon request by Beneficiary execute corrected original documents as Beneficiary may deem necessary. Grantor's failure to execute any such documents as requested shall constitute a default under the Note and this Deed of Trust securing payment thereof. In the event of Grantor's failure or refusal to execute corrected original documents, Grantor shall be entitled to exercise its rights and remedies provided in this Deed of Trust and such other instruments securing payment of said Note, and shall further be entitled to recover from Grantor its reasonable attorney's fees incurred and costs of Court.

INSURANCE: Grantor further agrees to provide Beneficiary fire and extended coverage insurance in an amount not less than the sum of the unpaid balance owing on the Note and covering the property described in this Deed of Trust which serves as security for payment. Said policy of insurance shall reflect the Beneficiary, CITIZENS STATE BANK, Sealy, Texas, as a mortgagee loss payee. All policies of insurance shall provide at least ten days prior written notice of cancellation to Beneficiary. Grantor hereby authorizes and directs that any proceeds due as a result of damage or loss of all or any part of said property shall be tendered directly to Beneficiary. Beneficiary, at Beneficiary's sole option, may elect to apply said insurance proceeds toward payment of the unpaid balance owing on the Note secured hereby without any requirement to apply said proceeds to the restoration, repaired or replacement of the property damaged. If said insurance proceeds are to be applied to the sums owing Beneficiary and secured by this Deed of Trust as hereinabove provided, said proceeds shall be so applied, whether or not said sums are currently due, with any excess paid to Grantor. Any application of insurance proceeds to payment of principal of the Note secured hereby shall be treated as advance payment of principal as provided in said Note and shall not extend, interrupt or postpone the monthly payments required by the Note secured hereby unless said application of insurance proceeds satisfies said Note in full, both principal and interest. The failure of Grantor to secure such coverage or to provide Beneficiary satisfactory evidence of insurance coverage upon written request shall constitute a default under the terms and provisions of this Deed of Trust and the Note secured hereby, and shall entitle Beneficiary to exercise its rights and remedies provided in this Deed of Trust and such other rights and remedies as may be provided by law.

ALL INCLUSIVE DEBT CLAUSE: Grantor further agrees that this conveyance to the extent permitted by law is also made in trust to secure and enforce the payment of all other indebtedness of the Grantor to Beneficiary presently existing or which may in any manner or means hereafter be incurred by the Grantor of said Note, or each or either of them, and evidenced in any manner whatsoever, either by notes, advances, overdrafts, bookkeeping entries or any other method or means; it being expressly agreed and understood that any and all sums now owed to or hereafter advanced by Beneficiary to the Grantor of said Note shall be payable at CITIZENS STATE BANK, Sealy, Texas, in Austin County, Texas, and shall bear interest as may be provided in such note(s) or other evidences of indebtedness given by the Maker of the said note(s) or other evidences of indebtedness to said Beneficiary; and this instrument is also executed for the purpose of securing and enforcing the payment of any renewal and extension of any note or of any part of the said indebtedness of the Maker of said note, and including any further loans and advancements made by said Beneficiary to the Maker of said Note under the provisions hereof. It is contemplated that Grantor may hereafter become indebted to Beneficiary in further sum or sums. The fact of repayment of all indebtedness of the Maker of said Note to said Beneficiary shall not terminate this mortgage unless the same be so released by said Beneficiary at the request of the Maker of said note, but otherwise it shall remain in full force and effect to secure all future advances and indebtedness, regardless of any additional security that may be taken as to any past or future indebtedness, and shall be unaffected by any renewals, extensions or partial releases hereunder. In no event shall this Deed of Trust secure payment to any installment loan or any open-end line of credit established under Chapter 3, Chapter 4, or Chapter 15 of the Texas Credit Code.

PLEDGE OF DEPOSIT ACCOUNTS: Without prejudice to the rights and remedies provided in this Deed of Trust but to be cumulative thereof, Grantor grants a security interest in Grantor's deposit accounts of any kind or character and any other rights to the payment of money owing Grantor by Beneficiary. Without limitation, Beneficiary shall have the right of set off against any and all accounts of Grantor, as more fully set forth in the Note secured hereby.

USURY SAVINGS CLAUSE: No provision hereof or of the note secured hereby shall ever entitle the holder of the note, upon the arising of any contingency whatsoever, to receive or collect interest in excess of the maximum fixed by the usury statutes of the State of Texas, or any other applicable law, on the principal indebtedness hereby secured and in no event shall Grantor(s) be obligated to pay interest hereon in excess of such rate. The payment of a prepayment penalty, if any, which may be agreed upon for voluntary prepayment, by the Grantor(s), of the indebtedness evidenced by the note and secured by this Deed of Trust, prior to maturity shall not, under any circumstances be considered to be payment of interest.

COVENANT NOT TO CONVEY PROPERTY WITHOUT APPROVAL OF BANK OR HOLDER OF THE NOTE AND PROVISIONS FOR ACCELERATION IF CONVEYED: Grantor(s) specially agrees that, should Grantor(s) convey the property herein described in whole or in part without prior approval of the holder, the holder of said note shall have the right and option to declare the entire amount of the indebtedness secured hereby to be due and payable. In order to exercise such right and option, the holder of said note shall give written notice to Grantor(s) and to the party to whom such property was conveyed by Grantor that the entire indebtedness has been declared due and payable and demand payment thereof. The failure to pay the indebtedness so declared to be due in full within forty-five (45) days after the giving of such notice shall constitute an event of default under this Deed of Trust and the Trustee hereunder, shall be, and is hereby authorized and empowered, when requested so to do by the holder of such note after such default to sell the premises as herein provided. In event that the ownership of the premises covered hereby or any part thereof becomes vested in a person other than the Grantor(s), the holder of the note secured hereby may, without notice to the Grantor(s) deal with such successor or successors in interest with reference to this Deed of Trust and to the debt hereby secured in the same manner as with the Grantor(s) without in any way vitiating or discharging the Grantor(s)' liability hereunder or under the note hereby secured. No sale of the premises covered hereby and no forbearance on the part of the holder of the said note and no extension of the time for the payment of debt hereby secured, given by said holder, its successors or assigns, shall operate to release, discharge, modify, change, or affect the original liability of the Grantor(s), either in whole or in part.

LIGNITE, COAL, GRAVEL AND URANIUM LEASES: That at least thirty (30) days before leasing the real property secured by this Deed of Trust for the mining and exploration of lignite, coal, gravel, uranium and for any other purpose that will affect the surface of the real property in any manner, Grantors will give written notice to the Bank, by certified mail, return receipt requested, at the Bank's address, of Grantor's intention to lease the real property. Grantor agrees that the Bank must approve in writing the execution of all leases as mentioned above, and that Grantor will not execute a lease without giving notice to the Bank and obtaining the written approval of the Bank as mentioned above. Any failure to

comply with this covenant constitutes a default entitling the Bank to declare the entire balance due and payable and proceed under the remedies of this Deed of Trust.

ENVIRONMENTAL INDEMNITY/HAZARDOUS WASTE: Borrower (and Guarantors, if any) represents, warrants and acknowledges that : (1) At the time it submitted its loan application it was and shall continue to be in compliance with all local, state, and federal laws and regulations pertaining to hazardous substances; (2) Borrower has no knowledge of any contamination from hazardous substances of any real or personal property pledged as collateral for this loan which is in violation of any such laws and regulations; (3) Borrower assumes full responsibility for all costs incurred in any cleanup involving hazardous substances, environmental audits and tests, and agrees to indemnify Lender against payment of any such costs, including but not limited to all legal fees, and further agrees to execute a separate indemnification agreement if demanded by Lender; (4) Until full repayment of the loan, Borrower shall promptly notify Lender if it knows, suspects or believes there may be a hazardous substance in or around the real property securing this loan or if Borrower and/or such property are subject to any investigation by any Governmental agency pertaining to any hazardous substance.

Grantor (a) shall not commit waste or permit impairment or deterioration of the property or allow any portion thereof to be torn down or removed from the premises or materially altered without the prior written consent of the Beneficiary, (b) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the property, (c) shall generally operate and maintain the property in a manner to insure maximum rentals for profits, if said property is leased, (d) shall not permit the property to be used for surface or subsurface storage or disposal of liquid or solid hazardous waste, and (e) shall not permit the construction or erection of surface or subsurface petroleum storage tanks thereon, without the prior written consent of Beneficiary. Beneficiary shall at all reasonable times, have access to the property for the purpose of inspecting the same and/or testing the same for conditions of hazardous waste.


NICHOLAS HLUCHAN


PANAGIOTA HLUCHAN

1306281

FILED FOR RECORD

13 SEP 24 PM 12:37

DEBBIE HOLLAN
COUNTY CLERK
WALLER COUNTY, TX.
Debbie Hollan DEPUTY

③

53.00

5.00

1.00

59.00 pd.

THE STATE OF TEXAS
COUNTY OF WALLER

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



Debbie Hollan
County Clerk, Waller County, Texas