

DEED OF TRUST, MORTGAGE, ASSIGNMENT, SECURITY AGREEMENT AND FINANCING STATEMENT

THIS INSTRUMENT MAY BE FILED AS A FINANCING STATEMENT. A PHOTOCOPY OR OTHER REPRODUCTION OF THIS INSTRUMENT IS SUFFICIENT AS A FINANCING STATEMENT.

FOR THE PURPOSES OF FILING THIS INSTRUMENT AS A FINANCING STATEMENT, THE NAME AND ADDRESS OF THE DEBTOR IS DAVID PETERSON, 6701 Castle Creek Dr., Fort Worth, TX 76132 THE NAME AND ADDRESS OF THE SECURED PARTY IS TCT FINANCIAL II, LLC, P.O. BOX 960 RIDGELAND, MS 39158.

THIS INSTRUMENT CONTAINS AFTER-AQUIRED PROPERTY PROVISIONS.

THIS INSTRUMENT SECURES PAYMENT OF FUTURE ADVANCES.

THIS INSTRUMENT AND ATTACHED EXHIBITS CONTAIN DESCRIPTIONS OF COLLATERALIZED PROPERTY. THE GRANTOR HAS INTEREST OF RECORD IN SAID COLLATERALIZED PROPERTY AS DESCRIBED HEREIN.

THIS INSTRUMENT COVERS PROCEEDS AND PRODUCTS OF COLLATERAL.

THIS INSTRUMENT COVERS MINERALS AND OTHER SUBSTANCES OF VALUE WHICH MAY BE EXTRACTED FROM THE EARTH (INCLUDING, WITHOUT LIMITATION, OIL AND GAS).

THIS INSTRUMENT IS TO BE FILED FOR RECORD IN THE REAL ESTATE OR COMPARABLE RECORDS OF THE COUNTIES IN WHICH THE COLLATERAL LANDS AND INTERESTS ARE LOCATED. SUCH FILING WILL SERVE AS A FINANCING STATEMENT FOR AS-EXTRACTED COLLATERAL.

Texas Royalty Brokers

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David Peterson whose address is **6701 Castle Creek Dr., Fort Worth, TX 76132** (the “Mortgagor,” “Grantor” OR “Debtor”), for and in consideration of the sum of Ten Dollars or more (\$10.00), and in consideration of the **Secured Obligations** hereinafter mentioned, does hereby GRANT, SELL, CONVEY, ASSIGN and DELIVER unto

COLLATERAL PROPERTY:

1. The land described on EXHIBIT A hereto (the “**Lands**”),
2. All-natural resources or other substance of value which may be extracted or produced from the Lands (the “**Minerals**”). The Minerals include, but are not limited to oil, gas, carbons, metals and water,
3. Any substances or materials that result from the extraction of Minerals from the Lands (the “**Products**”). The Products include, but are not limited to the extracted Minerals and any materials or substances created from the extracted Minerals,
4. Any existing leases that covers any part of the Lands (the “**Lease**”),

The Property includes a security interest in all of the Mortgagor's right title, interest and estate in and to the Minerals and Proceeds and all other claims or causes of action held by or accruing to Mortgagor under the Lease and any lease covering interests under the Lands or held by Mortgagor by virtue of his ownership of the Lands, Minerals or Products, including, but not limited to revenues, incomes, and payments for royalties, overriding royalties, lease bonuses, lease extensions, and purchases.

SECURED OBLIGATION:

The word "Secured Party," as used herein shall mean the Secured Party named above and all subsequent holders of the indebtedness hereby secured at the time in question. The "Indebtedness" or "Secured Obligation" means all principal, interest, fees, reimbursements and other amounts now, or hereafter owed by the Debtor to the Secured Party, under the Promissory Note, dated the 7th day of **January, 2018** between Debtor and Secured Party. The Indebtedness is payable by the Debtor to the Secured Party

2019



in accordance with the terms and conditions thereof, until such time as the Indebtedness has been paid in its entirety to the Secured Party by the Proceeds or by the Debtor.

SECURITY CONVEYANCE:

TO HAVE AND TO HOLD the said above described property, with all the rights, members, hereditaments and appurtenances, now or hereafter at any time, in anywise appertaining or belonging thereto, unto the said Trustee, and to his successors or substitutes in trust, and to his and their assigns for the following purposes and upon the following conditions:

This conveyance and assignment is made for the purpose of securing and enforcing the payment of the Secured Obligation by the Debtor, his heirs, administrators and assigns, to the order of the Secured Party. The Debtor has no personal liability for the payment of the Secured Obligation. The Secured Party agrees to look only toward the Collateral, except as expressly provided in the Note.

This conveyance is made for the security and enforcement of the payment of said indebtedness and said note evidencing the same, together with interest due thereon according to the tenor and effect thereof, and also all extensions, renewals, substitutions and changes in form thereof, together with all interest charges and fees thereon, and also any other sums and amounts for which Secured Party and/or Trustee shall or may become liable, for the protection of this security; and also any indebtedness which the Secured Party and/or Trustee may become obligated to pay on behalf of Debtor, whether by agreement or by operation of law.

It is contemplated by the parties that the Debtor may hereafter become indebted to the Secured Party, which said indebtedness, now accrued, or to accrue, shall also be payable to the Secured Party and will bear interest and provide for attorney's fees in the event such is placed with attorney's for collection; and this conveyance is made for the security and enforcement of payment of both the present Indebtedness of the Debtor and all future indebtedness. In this connection, it is expressly understood and agreed that in the event Mortgagor shall become so indebted or obligated to said Secured Party, its successors or assigns, in any manner or capacity, in addition to the indebtedness evidenced by the promissory note(s) hereinabove described, this mortgage, deed of trust and security agreement shall constitute a continuing lien and mortgage for the purpose of securing all such indebtedness and obligations until fully released by said Secured Party.

In the event of such indebtedness, this Security Agreement shall cover and secure all such further and actual obligations and all future advances, loans, obligations, or liabilities so made or created in any manner by the Debtor, and this indenture shall constitute a continuing security lien against the Property, securing all indebtedness until fully released by the Secured Party.

RELEASE OF CONVEYANCE, SECURITY AND DEED OF TRUST:

If the Debtor shall well and truly pay, or cause to be paid, any and all sums hereinbefore set out due or to become due during the life of this indenture, this Conveyance and this Deed of Trust, and Security Agreement, shall be void and of no force and effect, otherwise to remain in full force and effect. Upon full payment, the Secured Party agrees to promptly file of record written releases of this Deed of Trust and in each county where the Deed of Trust has been recorded.

The Debtor covenants and agrees that he is the lawful owner of the Property and has full power and lawful authority to convey and mortgage the same in the manner and form aforesaid. The Property is free and clear from all liens and encumbrances, subject only to the exceptions hereby stated and to the provisions of any contracts for development and operating agreements under which, said operating rights were acquired by the Debtor. All leases, contracts and agreements referred to are valid and subsisting. The Debtor does hereby bind the Debtor, his heirs, successors and assigns to warrant and defend, all and singular, the Property unto the Secured Party, its successors and assigns against the lawful claims and demands of all persons whomsoever, lawfully claiming the same, or any part thereof.

The Secured Party may pay ad valorem taxes due and any amount so paid shall be treated as additional Indebtedness under the promissory note described herein.

Without limiting the provisions hereof, Debtor does hereby grant the Secured Party the right to purchase the Property on the same terms and conditions of an offer Debtor desires to accept. Subject to the following terms:

- a) Upon receipt of an offer Debtor intends to accept, Debtor shall notify Secured Party of the offer's terms and conditions. Secured Party may elect to acquire the Property on the same terms and conditions by tendering a certified check to Debtor in the amount of the purchase price less the amount of the Debtor's outstanding indebtedness secured by this instrument, within thirty days (30) of receipt of Debtor's notice of the Debtor's offer. Failure to so tender a check shall be deemed an election by Secured Party not to acquire the Property.
- b) This right of first refusal shall exist and remain in full force and effect until such time as this instrument should terminate as a result of the full repayment of the Indebtedness.

Secured party may appoint in writing one or more substitute trustees, succeeding to all rights and Responsibilities of Trustee.

If the proceeds of the note or collateral are used to pay any debt secured by prior liens, Secured Party is subrogated to all the rights and liens of the holders of any debt so paid. If Mortgagor fails to perform any of Mortgagor's obligations, Secured Party may perform those obligations and be reimbursed by Mortgagor on demand for any amounts so paid including attorney's fees, plus interest on those amounts from the dates of payment at the rate stated in the Note for matured, unpaid amounts. The amount to be reimbursed will be secured by this deed of trust.

If there is a default on the Note or if Mortgagor fails to perform any of Mortgagor's obligations, and the default continues after any required notice of the default and the time allowed to cure, Secured Party may:

- a) Declare the unpaid principal balance and earned interest on the note immediately due;
- b) Direct Trustee to foreclose this lien in which case lender or Lender's agent will cause notice of the foreclosure sale to be given as provided by the Texas Property Code as then in effect; and
- c) Purchase the property at any foreclosure sale by offering the highest bid and then have the bid credited on the note and obligations.

In the event of default, the Secured Party or its Trustee may exercise non-judicial foreclosure and will:

- 1) Either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then in effect;
- 2) Sell and convey all or part of the Property "AS IS" to the highest bidder for cash with a general warranty binding Mortgagor, and without representation or warranty, express or implied, by Secured Party or Trustee;
- 3) From the proceeds of the sale, pay, in this order
 - a. Expenses of foreclosure, including a reasonable commission to Trustee;
 - b. To Secured Party, 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 Mortgagor; and
 - d. To Mortgagor, any balance; and
- 4) Be indemnified, held harmless, and defended by Mortgagor against all costs, expenses, and liabilities incurred by Secured Party or Trustee for acting on the execution or enforcement of the trust created by this deed of trust, which includes court and other costs, including attorney's fees incurred by Secured Party or Trustee in defense of any action or proceeding taken against either in that capacity.

This lien will remain superior to liens later created even if the time of payment of all or part of the Indebtedness and Obligations is extended.

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

The term "Note" includes all extensions, modifications, and renewals of the Note and all amounts secured by the Deed of Trust.

This Deed of Trust binds, benefits, and maybe enforced by the successors in the interest of all parties.

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

Mortgagor agrees to pay reasonable attorney's fees, trustee's fees, and court and other costs of enforcing Secured Party's rights under this Deed of Trust if this Deed of Trust is placed in the hands of an attorney for enforcement.

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

IN WITNESS WHEREOF, this instrument is executed by Grantor on the 7th day of January, 2018, but made effective as of December 1, 2018.

GRANTOR:

David Peterson

David Peterson
Signature of Grantor

Address of Grantor:

130 Wienke Way
Moss Beach, CA 94038

Address of Beneficiary:

TCT Financial II, L.L.C.
P.O. Box 960
Ridgeland, MS 39158

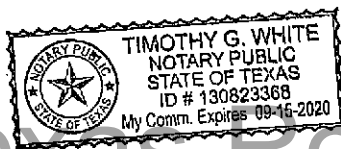
After recording return to:

Attention: Chase Thompson
TCT Financial II, L.L.C.
P.O. Box 960
Ridgeland, MS 39158

THE STATE OF Texas §
§
COUNTY OF Tarrant §

Before me, a Notary Public, on this day personally appeared David Peterson known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 7 day of January, 20 19.



Notary Public in and for the State of Texas.

Name: Timothy G. White

My commission expires: 09/15/2020

EXHIBIT A

Attached to and made part of the
Deed of Trust, Mortgage, Assignment, Security Agreement, and Financing Statement,
executed the 14 day of January, ~~2018~~ ²⁰¹⁹ and made between
David Peterson (as "Debtor" or "Grantor"), Catherine Hines (as "Trustee"), and TCT FINANCIAL II, LLC (as
"Secured Party" or "Beneficiary").

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MCMULLEN COUNTY, TEXAS:

<u>Lease</u>	<u>Abstract</u>	<u>Survey</u>
FAUDREE	1157	C&M RR CO/THORPE, A M
FAUDREE	54	C&M RR CO
FAUDREE	801	C&M RR CO/KINDE, L P
LINTHICUM M	55	C&M RR CO
LINTHICUM M	802	C&M RR CO/KINDE, L P
LINTHICUM M	506	PLOWMAN, J T

DESCRIPTION:

Including but not limited to All of Grantor's oil, gas and minerals in the above Leases, Abstracts and Surveys and also in Irion County, Texas more particularly described as follows:

TRACT ONE: 268.71 acres out of Survey 1137, C & M Ry. Co. Survey, lying South of the K.C.M. & O.Ry.Co. right-of-way.

TRACT TWO: 479.58 acres out of the L.P. Hinde Survey 1140, lying South of the K.C.M. & O. Ry. Co. right-of-way.

TRACT THREE: The East 490.57 acres of Survey No. 4, J.T. Plowman Survey, Abstract No. 644.

TRACT FOUR: 212.25 acres out of the A.D. Anderson Survey No. 1148, Abstract No. 873.

TRACT FIVE: 143.43 acres out of Survey 1148, A.D. Anderson, Original Grantee, Abstract No. 873.

TRACT SIX: 567.26 acres out of the C & M Ry. Co. Survey 1141, lying South of the K.C.M. & O. Ry. Co. right-of-way.

TRACT SEVEN: 36.90 acres out of the C & M Ry. Co. Survey 1141, lying South of the K.C.M. & O. Ry. Co. right-of-way.

TRACT EIGHT: 598.28 acres out of Survey 3, J.T. Plowman Survey, Abstract No. 506.

TRACT NINE: The West 38.67 acres out of Survey 3.J.T. Plowman Survey, Abstract No. 506.

TRACT TEN: 155.09 acres out of the A.D. Anderson Survey No. 1148, Abstract No. 873.

TRACT ELEVEN: 112.64 acres out of Survey 1148, A.D. Anderson, Original Grantee, Abstract No. 873.

TRACT TWELVE: .11 acres out of the C&M Ry Co. Survey 1139.

TRACT THIRTEEN: 154.21 acres out of the L.P. Hinde Survey 1140, lying South of the K.C.M. & O. Ry. Co. right-of-way.

TRACT FOURTEEN: The West 162 acres out of Survey 4, J.T. Plowman Survey; Abstract No. 644.

TRACT FIFTEEN:

The West 467.02 acres of Survey 1225, G.C.&S.F.Ry.Co., Abstract No. 146.

TRACT SIXTEEN:

A portion of Survey 1142, L.P. Hinde, Abstract 801, lying North of the North right-of-way of K.C.M.&O.Ry.Co., and containing 580.96 acres of land.

TRACT SEVENTEEN:

155.0 acres of land in C.&M.Ry.Co. Survey 1139, lying North of the North right-of-way of K.C.M.&O.Ry.Co.

TRACT EIGHTEEN:

21.26 acres in C.&M.Ry.Co. Survey 1141, lying North of the North right-of-way of K.C.M.&O.Ry.Co.

TRACT NINETEEN:

3.98 acres in C.&M.Ry.Co. Survey 1141, lying North of the North right-of-way of K.C.M.&O.Ry.Co.

TRACT TWENTY:

The West 66.35 acres of Survey 1142, in the name of L.T. Hinde, being the same 66.35 acres conveyed to J.D. Gibson by Exchange Deed dated January 7, 1969, recorded in Volume 34, Page 217, Deed Records, Irion County, Texas.

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FILED - IRION COUNTY, TEXAS - No. 20190002800

Honorable Shirley Graham-Miles, Irion County Clerk

Filed 01/10/2019 11:55 A.M. Vol. 0259 p. 0315

By *Shirley Graham-Miles* Deputy

STATE OF TEXAS

COUNTY OF IRION

I hereby certify that this instrument was FILED on the date
and at the time the stamped hereon by me and was duly
RECORDED in the Official Public Records of Irion County,
Texas. Honorable Shirley Graham-Miles, Irion County Clerk

By *Shirley Graham-Miles* Deputy