

THE STATE OF TEXAS
COUNTY OF TAYLOR24680 BOOK 160
KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, James E. Russell, hereinafter called "Mortgagor", for and in consideration of the sum of Ten Dollars, the receipt of which is hereby acknowledged, and in consideration of the debt and trust hereinafter mentioned, has granted, bargained, sold, conveyed, transferred and assigned, and by these presents does grant, bargain, sell, convey, transfer and assign to John A. Wright, hereinafter called "Trustee", and to his successors and substitutes in trust, for the benefit of THE FIRST STATE BANK, ABILENE, TEXAS, a Texas banking corporation with its office in Abilene, Taylor County, Texas, hereinafter called "Mortgagee", the following described property, to-wit:

Lying and being situated in the County of
~~County of Douglas, Anderson, Woodson, Allen and Barber, State of~~
~~Kansas, and in Osage County, State of Oklahoma, described in Exhibit~~
~~One attached hereto.~~

Counties of Douglas, Anderson, Woodson, Allen and Barber, State of Kansas, and in Osage County, State of Oklahoma, described in Exhibit One attached hereto.

together with all improvements thereon and all personal property situated on any of the land described above, including, but not limited to, storage tanks, water tanks, boilers, loading racks, pumps, foundations, warehouses, and all other personal property and equipment of every kind and character upon, in, on, appurtenant or belonging to and used in connection with Mortgagee's interest in said oil and gas leasehold estates, including all oil, gas and/or other minerals produced or to be produced to the account of Mortgagee from such premises above described.

TO HAVE AND TO HOLD all and singular the property herein described and all other property which, by the terms hereof, has or may become subject to the lien of this deed of trust and chattel mortgage, together with all the right, hereditaments and appurtenances in anywise belonging thereunto unto the Trustee his successors in trust, or assigns forever. Any additional right, title or interest which Mortgagee may hereafter acquire or become entitled to in the interests, properties and premises aforesaid, or in the oil, gas or other minerals in and under or produced from said above described lands and leases shall inure to the benefit of this trust, the same as if expressly described and conveyed herein.

ARTICLE I
WARRANTY

Mortgagor hereby binds himself, his heirs and assigns to warrant and forever defend all and singular the above described property, rights and interests unto the said JOHN A. WRIGHT, and his successors or substitutes in this trust, and to his and their assigns forever, against every person whomsoever lawfully claiming or to claim the same or any part thereof. And for the same consideration Mortgagee, for himself, his heirs and assigns, covenants that he is the lawful owner of the above described property and that he has good right and authority to mortgage, assign, sell and convey the same; that all of said leases are in full force and effect and that all covenants, express or implied, in respect thereof, or of any assignment thereof, which may affect the validity of any of said leases, have been performed insofar as said leases pertain to the tracts of land above described, and that all gross production taxes have been likewise paid; that Mortgagee has the right, power and authority to incur the indebtedness evidenced by the note of even date herewith, hereinafter described, and to mortgage his aforesaid property to secure the payment thereof and of any additional indebtedness hereinafter incurred, as well as the performance of all covenants and undertakings of Mortgagee set forth herein, and to execute and deliver said note and this deed of trust and chattel mortgage; and that said note is the valid and binding obligation of Mortgagee and that the lien hereof and the covenants and undertakings of Mortgagee herein are valid, subsisting and enforceable, and that Mortgagee has heretofore done all things necessary or proper to make them so.

ARTICLE II
INDEBTEDNESS SECURED

This conveyance is made, IN TRUST, HOWEVER, to secure and enforce the payment of the following indebtedness, obligation and liability, to-wit:

(a) One certain promissory note of even date herewith in the principal sum of \$150,000.00, bearing interest from date at the rate of 8% per annum, both principal and interest payable to the order of The First State Bank, Abilene, Texas, in Abilene, Texas, in twelve monthly installments as follows: \$2,000.00 plus interest due on or before the 1st day of June, July and August 1971; \$3,000.00 plus interest due on or before the 1st day of September, October and November 1971; \$4,000.00 plus interest due on or before the 1st day of December 1971, and on or before the 1st day of January, February, March and April 1972; and the twelfth and final installment plus accrued interest due on or before the 1st day of May 1972; said note containing the usual stipulation for accelerated maturity and 10% attorneys' fee in the event of default.

(b) It is contemplated that the Mortgagee herein may from time to time borrow additional sums of money from or otherwise be obligated to The First State Bank, Abilene, Texas, and this deed of trust and chattel mortgage is given to secure any and all indebtedness of Mortgagee herein, present or future, either direct or indirect, primary or secondary, fixed or contingent, which the Mortgagee herein may now owe or hereafter owe, or in any manner become obligated for the payment to The First State Bank, Abilene, Texas, and it shall likewise secure not only the above described indebtedness, but any and all renewals and extensions thereof, and the liens under this deed of trust and chattel mortgage shall be cumulative of all other liens and security of any and every other kind or character whatsoever securing the above described indebtedness.

(c) The words "indebtedness" and "said indebtedness" wherever used in this deed of trust and chattel mortgage shall refer to all present and future debts, obligations and liabilities described or referred to in this Article II.

ARTICLE III
DEFEASANCE

If said indebtedness shall be paid and discharged in accordance with the terms and tenor of the instrument or instruments evidencing it, and if Mortgagee shall well and truly perform all of the covenants herein contained, then this conveyance shall become null and void and be released at Mortgagee's expense and request; otherwise it shall remain in full force and effect.

ARTICLE IV
COVENANTS OF MORTGAGOR

In consideration of the indebtedness hereinabove described Mortgagee, for himself, his heirs and assigns, covenants and agrees as follows:

1. Mortgagee will proceed with reasonable diligence to correct any defect in the title to the mortgaged property should any such defect be found to exist after the execution and delivery of this instrument; and in this connection should it be found, after the execution and delivery of this instrument, that there exists upon the mortgaged property any lien or encumbrance equal or superior in rank to the lien or liens created by this instrument, or should any such hereafter arise, Mortgagee will promptly discharge and remove same from said mortgaged property.

2. Upon request of Mortgagee, Mortgagee will promptly correct any defect, which may be discovered after the execution and delivery of this instrument in the notes above described or other documents executed in connection herewith, in the execution or acknowledgment hereof or thereof or in the description of the mortgaged property, and will execute, acknowledge and deliver such division orders, transfer orders, and other assurances and instruments as shall, in the opinion of Mortgagee, be necessary or proper to convey and assign to Trustee all of the mortgaged property herein conveyed or assigned, or intended so to be.

3. Mortgagee will keep and continue all leases, estates and interests herein described and contracts and agreements relating thereto, in full force and effect and will not permit the same to lapse or otherwise become impaired for failure to comply with the obligations thereof, whether expressed or implied.

4. Mortgagee will keep and maintain all improvements and all personal property and equipment now or hereafter situated on the mortgaged premises and used in connection therewith in good state of repair and condition and will not tear down or remove the same or permit the same to be torn down or removed without the prior written consent of the Mortgagee.