

B10 (Official Form 10) (04/13)

<b>UNITED STATES BANKRUPTCY COURT WESTERN DISTRICT OF TEXAS</b>		<b>PROOF OF CLAIM</b>
Name of Debtor: DAVID ANTHONY MCCRAE, III		Case Number 13-10386-TMD-13
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): PHH MORTGAGE CORP. F/K/A CENDANT MORTGAGE CORP. ITS ASSIGNS AND/OR SUCCESSORS IN INTEREST		<b>COURT USE ONLY</b>
Name and address where notices should be sent: PHH MORTGAGE CORP. F/K/A CENDANT MORTGAGE CORP. 2001 BISHOPS GATE BLVD. MT. LAUREL, NJ 08054 Telephone number: _____ email: _____		<input type="checkbox"/> Check this box if this claim amends a previously filed claim. <b>Court Claim Number:</b> _____ (If known) Filed on : _____
Name and address where payment should be sent (if different from above): PHH MORTGAGE CORP. F/K/A CENDANT MORTGAGE CORP. 2001 BISHOPS GATE BLVD. MT. LAUREL, NJ 08054 Telephone number: _____ email: _____		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach a copy of statement giving particulars.
1. Amount of Claim as of Date Case Filed: <u>\$9,465.70</u>		
If all or part of the claim is secured, complete item 4.		
If all or part of the claim is entitled to priority, complete item 5.		
<input checked="" type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.		
2. Basis for Claim: <u>Mortgage Note</u> (See instruction #2)		
3. Last four digits of any number by which creditor identifies debtor: <u>1 0 5 6</u>	3a. Debtor may have scheduled account as: <u>PHH Mortgage Corporation</u> (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: <u>\$ 1,466.01</u>
Nature of property or right of setoff: <input checked="" type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: 350 CEE RUN, BERTRAM, TX 78605		Basis for perfection: <u>Deed of Trust</u>
Value of Property: \$ _____		Amount of Secured Claim: <u>\$ 9,465.70</u>
Annual Interest Rate <u>6.250</u> % <input checked="" type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount Unsecured: <u>\$ _____</u>
5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.		
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier - 11 U.S.C. §507 (a)(4).	<input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5). <b>Amount entitled to priority:</b>
<input type="checkbox"/> Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).	<input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).	<b>\$ _____</b>
*Amounts are subject to adjustment on 4/01/16 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.		
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)		

B10 (Official Form 10) (04/13)

**7. Documents:** Attached are **redacted** copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and **redacted** copies of documents providing evidence of perfection of a security interest are attached. If the claim is secured by the debtor's principal residence, the Mortgage Proof of Claim Attachment is being filed with this claim. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

**8. Signature:** (See instruction #8)

Check the appropriate box.

- I am the creditor.   
  I am the creditor's authorized agent.   
  I am the trustee, or the debtor, or their authorized agent.   
  I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)  
 (See Bankruptcy Rule 3004.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: DONNA WILKINSON  
 Title: Attorney for PHH MORTGAGE CORP. F/K/A CENDANT MORTGAGE CORP. ITS ASSIGNS AND/OR SUCCESSORS IN INTEREST  
 Company: BARRETT DAFFIN FRAPPIER TURNER & ENGEL, LLP    /s/ DONNA WILKINSON    06/24/2013  
 Address and telephone number (if different from notice address above):    (Signature)    (Date)  
15000 SURVEYOR BLVD SUITE 100  
ADDISON, TX 75001  
 Telephone number (972) 386-5040    email: WDECF@BDFGROUP.COM

*Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.*

## Mortgage Proof of Claim Attachment

If you file a claim secured by a security interest in the debtor's principal residence, you must use this form as an attachment to your proof of claim. See Bankruptcy Rule 3001(c)(2).

Name of debtor: DAVID ANTHONY MCCRAE, III Case number: 13-10386-TMD-13  
 Name of creditor: PHH MORTGAGE CORP. F/K/A CENDANT MORTGAGE CORP. ITS ASSIGNS AND/OR SUCCESSORS IN INTEREST Last four digits of any number you use to identify the debtor's account: 1 0 5 6

### Part 1: Statement of Principal and Interest Due as of the Petition Date

Itemize the principal and interest due on the claim as of the petition date (included in the Amount of Claim listed in Item 1 on your Proof of Claim form).

1. Principal due		(1) \$ <u>7,758.96</u>																
2. Interest due	<table border="1"> <thead> <tr> <th>Interest rate</th> <th>From mm/dd/yyyy</th> <th>To mm/dd/yyyy</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>6.250 %</td> <td>09/01/2012</td> <td>03/01/2013</td> <td>\$ <u>240.73</u></td> </tr> <tr> <td>_____ %</td> <td>__/__/__</td> <td>__/__/__</td> <td>\$ _____</td> </tr> <tr> <td>_____ %</td> <td>__/__/__</td> <td>__/__/__</td> <td>+ \$ _____</td> </tr> </tbody> </table>	Interest rate	From mm/dd/yyyy	To mm/dd/yyyy	Amount	6.250 %	09/01/2012	03/01/2013	\$ <u>240.73</u>	_____ %	__/__/__	__/__/__	\$ _____	_____ %	__/__/__	__/__/__	+ \$ _____	
Interest rate	From mm/dd/yyyy	To mm/dd/yyyy	Amount															
6.250 %	09/01/2012	03/01/2013	\$ <u>240.73</u>															
_____ %	__/__/__	__/__/__	\$ _____															
_____ %	__/__/__	__/__/__	+ \$ _____															
3. Total principal and interest due	<b>Total interest due as of the petition date</b> \$ <u>240.73</u> Copy total here ►	(2) + \$ <u>240.73</u> (3) \$ <u>7,999.69</u>																

### Part 2: Statement of Prepetition Fees, Expenses, and Charges

Itemize the fees, expenses, and charges due on the claim as of the petition date (included in the Amount of Claim listed in Item 1 on the Proof of Claim form).

Description	Dates incurred	Amount
1. Late charges	07/16/2012 - 12/17/2012	(1) \$ <u>155.40</u>
2. Non-sufficient funds (NSF) fees		(2) \$ _____
3. Attorney's fees	01/28/2013	(3) \$ <u>810.00</u>
4. Filing fees and court costs	01/28/2013	(4) \$ <u>3.00</u>
5. Advertisement costs		(5) \$ _____
6. Sheriff/auctioneer fees		(6) \$ _____
7. Title costs	01/08/2013	(7) \$ <u>225.00</u>
8. Recording fees	01/25/2013	(8) \$ <u>16.00</u>
9. Appraisal/broker's price opinion fees	01/11/2013	(9) \$ <u>89.00</u>
10. Property inspection fees	01/21/2013 - 02/21/2013	(10) \$ <u>22.50</u>
11. Tax advances (non-escrow)		(11) \$ _____
12. Insurance advances (non-escrow)		(12) \$ _____
13. Escrow shortage or deficiency (Do not include amounts that are see attached Escrow Analysis. part of any installment payment listed in Part 3.)		(13) \$ <u>56.51</u>
14. Property preservation expenses. Specify: _____		(14) \$ _____
15. Other. Specify: Foreclosure Attorney Costs	01/17/2013 - 01/28/2013	(15) \$ <u>88.60</u>
16. Other. Specify: _____		(16) \$ _____
17. Other. Specify: _____		(17) \$ _____
18. Total prepetition fees, expenses, and charges. Add all of the amounts listed above.		(18) \$ <u>1,466.01</u>

**Part 3. Statement of Amount Necessary to Cure Default as of the Petition Date**

Does the installment payment amount include an escrow deposit?

- No
- Yes. Attach to the Proof of Claim form an escrow account statement prepared as of the petition date in a form consistent with applicable nonbankruptcy law.

<b>1. Installment payments due</b>	Date last payment received by creditor	<u>10/12/2012</u>
	Number of installment payments due	(1) _____
<b>2. Amount of installment payments due</b>	_____ installments @	\$ _____
	_____ installments @	\$ _____
	_____ installments @	+ \$ _____
	<b>Total installment payments due as of the petition date</b>	\$ _____

Copy total here ▶ (2) \$ \_\_\_\_\_

<b>3. Calculation of cure amount</b>	<b>Add total prepetition fees, expenses, and charges</b>	
	<b>Subtract total of unapplied funds</b> (funds received but not credited to account)	- \$ _____ 0.00
	<b>Subtract amounts for which debtor is entitled to a refund</b>	- \$ _____ 0.00
	<b>Total amount necessary to cure default as of the petition date</b>	(3) \$ <u>1,466.01</u>

Copy total from Part 2 here ▶ + \$ 1,466.01

Copy total onto Item 4 of Proof of Claim form

**CERTIFICATE OF SERVICE**

I hereby certify that on June 24, 2013, a true and correct copy of the Proof of Claim was served via electronic means as listed on the Court's ECF noticing system or by regular first class mail to the parties listed on the attached list.

Respectfully submitted,

BARRETT DAFFIN FRAPPIER  
TURNER & ENGEL, LLP

BY: /s/ DONNA WILKINSON 06/24/2013

DONNA WILKINSON  
TX NO. 24084098  
15000 SURVEYOR BLVD SUITE 100  
ADDISON, TX 75001  
Telephone: (972) 386-5040  
E-mail: WDECF@BDFGROUP.COM  
ATTORNEY FOR CLAIMANT

**BY ELECTRONIC NOTICE OR REGULAR FIRST CLASS MAIL:**

**DEBTOR:**

DAVID ANTHONY MCCRAE, III  
350 CEE RUN  
BERTRAM, TX 78605

**DEBTOR'S ATTORNEY:**

RAY FISHER  
P.O. BOX 684565  
AUSTIN, TX 78768-4565

**TRUSTEE:**

DEBORAH B. LANGEHENNIG  
3801 CAPITAL OF TX HWY SOUTH  
SUITE 320  
AUSTIN, TX 78704

Loan Number [REDACTED]

correct copy of the original instrument.  
LONESTAR TITLE COMPANY, INC.

# NOTE

By: \_\_\_\_\_

October 29th, 2001  
[Date]

BERTRAM  
[City]

Texas  
[State]

350 CEE RUN BERTRAM, TX 78605

[Property Address]

### 1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 72,500.00 (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is PHH Mortgage Services

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

### 2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 6.250%.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

### 3. PAYMENTS

#### (A) Time and Place of Payments

I will pay principal and interest by making a payment every month.

I will make my monthly payment on the 01st day of each month beginning on December 1st, 2001. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on November 1st, 2016, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at 3000 Leadenhall Road Mount Laurel, NJ 08054 or at a different place if required by the Note Holder.

#### (B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ 621.64

### 4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

MULTISTATE FIXED RATE NOTE-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT  
Amended for Texas

Form 3200 1/01  
VMP MORTGAGE FORMS - (800)521-7231

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Initials: DAM  
BAM

**5. LOAN CHARGES**

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this 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; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

**6. BORROWER'S FAILURE TO PAY AS REQUIRED**

**(A) Late Charge for Overdue Payments**

If the Note Holder has not received the full amount of any monthly payment by the end of Fifteen calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.00 % of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

**(B) Default**

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

**(C) Notice of Default**

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

**(D) No Waiver By Note Holder**

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

**(E) Payment of Note Holder's Costs and Expenses**

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

**7. GIVING OF NOTICES**

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

**8. OBLIGATIONS OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

**9. WAIVERS**

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.



**10. UNIFORM SECURED NOTE**

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:


If all or any part of the Property or any Interest in the Property 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, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.


If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**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.**

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED

  
\_\_\_\_\_  
DAVID A. McCrae (Seal)  
David A McCrae -Borrower

  
\_\_\_\_\_  
Barbara A McCrae (Seal)  
Barbara A McCrae -Borrower  
by David A. McCrae,  
Attorney-in-Fact

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

*[Sign Original Only]*

LIMITED POWER OF ATTORNEY

We hereby certify that this is a true and correct copy of the original instrument.  
By: [Signature] CONSUMERS TITLE COMPANY, INC.

I, Barbara A. McCrae, hereby direct and authorize my husband, David A. McCrae, to act in my behalf to enter or support any agreement or acknowledgment to complete the purchase transaction and mortgage of our house and property at

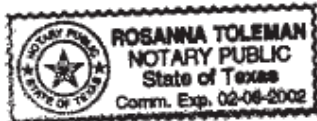
350 Cee Run  
Bertram, Texas.

Signed Barbara A. McCrae on 29 of October, 2001.

Notary for the State of Texas, County of Burnet

This is a true affidavit sworn before me.

Signed and Sealed Rosanna Toleman on 29 of October, 2001.



SEE ATTACHED  
EXHIBIT "A"

Return To:

PHH Mortgage Services  
2001 Bishops Gate Blvd.  
Mount Laurel, NJ 08054

RECEIVED

AUG 17 2001

DUR

Prepared By:

RETURN TO  
*Longhorn Title Co., Inc.*  
801 Main  
Georgetown TX 78626

012722

[Space Above This Line For Recording Data]

### DEED OF TRUST

Loan #



#### 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 October 29th, 2001 together with all Riders to this document.

(B) "Borrower" is David A McCrae, A MARRIED PERSON and Barbara A McCrae, A MARRIED PERSON

Borrower is the grantor under this Security Instrument.

(C) "Lender" is PHH Mortgage Services

Lender is a Corporation organized and existing under the laws of New Jersey

TEXAS-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT PUBLIC RECORD

OFFICIAL PUBLIC RECORD  
BURNET COUNTY TEXAS

Form 3044 1/01

VMP-6(TX) (0006)

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Initials:

DAW  
SAM

150140 075101

VMP MORTGAGE FORMS - (800)821-7291

EXHIBIT "C"

Lender's address is 3000 Leadenhall Road Mount Laurel, NJ 08054

Lender is the beneficiary under this Security Instrument.

(D) "Trustee" is Burke, Wilson, Castle, Daffin & Frappier

Trustee's address is

15000 Surveyor Boulevard, Addison, TX 75001

(E) "Note" means the promissory note signed by Borrower and dated October 29th, 2001

The Note states that Borrower owes Lender Seventy-Two Thousand Five Hundred Dollars and Zero Cents

(U.S. \$ 72,500.00 ) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than November 1st, 2016

(F) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(G) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(H) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- Adjustable Rate Rider
- Balloon Rider
- VA Rider
- Condominium Rider
- Planned Unit Development Rider
- Biweekly Payment Rider
- Second Home Rider
- 1-4 Family Rider
- Other(s) [specify]

(I) "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.

(J) "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.

(K) "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.

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

(M) "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.

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

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

(P) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional state or federal 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

OFFICIAL PUBLIC RECORD  
BURNING WATERS, TEXAS

110124 0712

Initials: DAM  
BAM

to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(Q) "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

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. 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 BURNET :

[Type of Recording Jurisdiction] [Name of Recording Jurisdiction] Being the same premises conveyed to David A. McCrae + Barbara K. McCrae deed dated 10-30-01 and recorded in the Burnet county recorder's office in deed book 1024 page 679. This is a first and paramount mortgage lien on the above described premises.

SEE ATTACHED

EXHIBIT "A"

Parcel ID Number:

350 CEE RUN  
BERTRAM

("Property Address"):

which currently has the address of

[Street]  
[City], Texas 78605 [Zip Code]

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. All of the foregoing is referred to in this Security Instrument as the "Property."

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.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM 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, late charges, and penalties on the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 10.1 of the Note. Payments due under the Note and this Security Instrument shall be made in U.S.

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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. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. 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, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) 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.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. 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.

**3. Funds for Escrow Items.** Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be

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in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

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.** Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the

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lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

**5. Property 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.

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

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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. Occupancy.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

**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. Whether or not Borrower is residing in 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. 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 Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

**9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable

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attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. 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.

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. 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. Mortgage Insurance.** If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or the amount of the payments of the Loan. Such agreements will not increase the amount Borrower is required to pay for Mortgage Insurance, and they will not entitle Borrower to any refund.

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(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

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 equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be 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. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes 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.

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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.** Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. 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.

If the Loan 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; and (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.

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 Property Address 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.

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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 the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (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.

If all or any part of the Property or any Interest in the Property 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, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. **Borrower's Right to Reinstate After Acceleration.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses 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. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

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

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BURNET COUNTY, TEXAS

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SSSO J BART

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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. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

**21. Hazardous Substances.** As used in this Section 21: (a) "Hazardous Substances" are those substances 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; (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.

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BURNET COUNTY, TEXAS

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1024 0722

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Initials: DAW

1-50 BAW

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NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice will result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence. For the purposes of this Section 22, the term "Lender" includes any holder of the Note who is entitled to receive payments under the Note.

If Lender invokes the power of sale, Lender or Trustee shall give notice of the time, place and terms of sale by posting and filing the notice at least 21 days prior to sale as provided by Applicable Law. Lender shall mail a copy of the notice to Borrower in the manner prescribed by Applicable Law. Sale shall be made at public vendue. The sale must begin at the time stated in the notice of sale or not later than three hours after that time and between the hours of 10 a.m. and 4 p.m. on the first Tuesday of the month. Borrower authorizes Trustee to sell the Property to the highest bidder for cash in one or more parcels and in any order Trustee determines. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying indefeasible title to the Property with covenants of general warranty from Borrower. Borrower covenants and agrees to defend generally the purchaser's title to the Property against all claims and demands. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

If the Property is sold pursuant to this Section 22, Borrower or any person holding possession of the Property through Borrower shall immediately surrender possession of the Property to the purchaser at that sale. If possession is not surrendered, Borrower or such person shall be a tenant at sufferance and may be removed by writ of possession or other court proceeding.

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.

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WMP-6(TX) (0006)

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Initials: [Handwritten] Form 3044 1/01

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. Purchase Money; Owelty of Partition; Renewal and Extension of Liens Against Homestead Property; Acknowledgment of Cash Advanced Against Non-Homestead Property.** Check box as applicable:

**Purchase Money.**

The funds advanced to Borrower under the Note were used to pay all or part of the purchase price of the Property. The Note also is primarily secured by the vendor's lien retained in the deed of even date with this Security Instrument conveying the Property to Borrower, which vendor's lien has been assigned to Lender, this Security Instrument being additional security for such vendor's lien.

**Owelty of Partition.**

The Note represents funds advanced by Lender at the special instance and request of Borrower for the purpose of acquiring the entire fee simple title to the Property and the existence of an owelty of partition imposed against the entirety of the Property by a court order or by a written agreement of the parties to the partition to secure the payment of the Note is expressly acknowledged, confessed and granted.

*DM BAN*  **Renewal and Extension of Liens Against Homestead Property.**

The Note is in renewal and extension, but not in extinguishment, of the indebtedness described on the attached Renewal and Extension Exhibit which is incorporated by reference. Lender is expressly subrogated to all rights, liens and remedies securing the indebtedness original holder of a note evidencing Borrower's indebtedness and the original liens securing the indebtedness are renewed and extended to the date of maturity of the Note in renewal and extension of the indebtedness.

**Acknowledgment of Cash Advanced Against Non-Homestead Property.**

The Note represents funds advanced to Borrower on this day at Borrower's request and Borrower acknowledges receipt of such funds. Borrower states that Borrower does not now and does not intend ever to reside on, use in any manner, or claim the Property secured by this Security Instrument as a business or residential homestead. Borrower disclaims all homestead rights, interests and exemptions related to the Property.

**28. Loan Not a Home Equity Loan.** The Loan evidenced by the Note is not an extension of credit as defined by Section 50(a)(6) or Section 50(a)(7), Article XVI, of the Texas Constitution. If the Property is used as Borrower's residence, then Borrower agrees that Borrower will receive no cash from the Loan evidenced by the Note and that any advances not necessary to purchase the Property, extinguish an owelty lien, complete construction, or renew and extend a prior lien against the Property, will be used to reduce the balance evidenced by the Note or such Loan will be modified to evidence the correct Loan balance, at Lender's option. Borrower agrees to execute any documents necessary to comply with this Section 28J.

OFFICIAL PUBLIC RECORDS  
BURNET COUNTY, TEXAS

initials: *DM BAN*



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.

Witnesses:

\_\_\_\_\_  
*David A McCrae*  
David A McCrae (Seal)  
-Borrower

\_\_\_\_\_  
*Barbara A. McCrae*  
Barbara A McCrae (Seal)  
by David A. McCrae, -Borrower  
Attorney-in-Fact

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

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(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

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BURNET COUNTY, TEXAS

1024 0725

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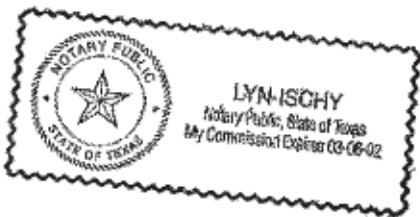
STATE OF TEXAS  
County of ~~BURNET~~ *Wmson*

Before me a notary public on this day personally appeared  
. David A McCrae, Barbara A McCrae, by David A. McCrae, attorney-in-fact.

known to me (or proved to me on the oath of  
or through *txdl#*) to be the person whose name is subscribed to the  
foregoing instrument and acknowledged to me that he/she/they executed the same for the purposes and  
consideration therein expressed.

Given under my hand and seal of office this *30<sup>th</sup>*  
~~29<sup>th</sup>~~ day of October, 2001

(Seal)



*Lyn Ischy*  
\_\_\_\_\_  
Notary Public

My Commission Expires:

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BURNET COUNTY, TEXAS  
1024 0726

Loan #: [REDACTED]

# RIDER TO THE DEED OF TRUST RENEWAL AND EXTENSION EXHIBIT

This RENEWAL AND EXTENSION EXHIBIT is incorporated into and shall be deemed to amend and supplement the Deed of Trust ("Security Instrument") of even date herewith. Security Instrument is granted by the Borrower(s) ("Borrower") to secure Borrower's indebtedness ("Note") to Lender (sometimes referred to as the "Beneficiary" or "Holder of the Note"), the Note secured hereby is in renewal and extension but not in extinguishment of that indebtedness, whether one or more, described as follows: *+ Barbara A. McCrae*  
Being the same premises conveyed to *David A. McCrae* by deed dated *October 30, 2001* and recorded in the *Burnet* county recorder's office in deed book *1024* page *679*. This is a first and paramount mortgage lien on the above described premises.

Page 1 of 2

Initials: *DAM*  
*BAM*

2/97

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BURNET COUNTY, TEXAS

MORTGAGE FORMS - (800)521-7281

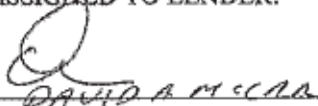
OFFICIAL PUBLIC RECORD  
BURNET COUNTY, TEXAS


0550 4501

1024 0727

Original "C"  
EXHIBIT

THE LENDER HEREBY SECURED IS EXPRESSLY SUBROGATED TO ALL RIGHTS, LIENS, EQUITIES AND REMEDIES SECURING THE ORIGINAL HOLDER(S) OF SAID DEBT(S) AND THE ORIGINAL LIEN(S) SECURING THE SAME ARE HEREBY RENEWED AND EXTENDED TO DATE OF MATURITY OF THE INDEBTEDNESS HEREBY SECURED IN RENEWAL AND EXTENSION THEREOF. IN THE EVENT ANY PORTION OF THE SUMS INTENDED TO BE SECURED BY THE SECURITY INSTRUMENT CANNOT BE LAWFULLY SECURED THEREBY, PAYMENTS IN REDUCTION OF SUCH SUMS SHALL BE APPLIED FIRST TO THOSE PORTIONS NOT SECURED THEREBY. BORROWER(S) ACKNOWLEDGES THAT THE LIEN(S) 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 UNTIL THE NOTE IS PAID, EVEN THOUGH THE PRIOR LIEN(S) IS RELEASED AND NOT ASSIGNED TO LENDER.

  
\_\_\_\_\_  
David A McCrae

  
\_\_\_\_\_  
Barbara A McCrae  
by David A. McCrae,  
Attorney-in-Fact

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OFFICIAL PUBLIC RECORD  
BURNET COUNTY TEXAS  
1024 0728

OFFICIAL PUBLIC RECORD  
BURNET COUNTY TEXAS  
1024 0728

Original  
EXHIBIT "C"

July 18, 2001

Page 1 of 3

STATE OF TEXAS;  
COUNTY OF BURNET:

Field notes to accompany a Survey Plat of a 5.000 acre tract of land out of the Samuel McFarland Survey, Abstract 593, in Burnet County, Texas:  
Prepared for: Clyde A. Lyda, et ux.

Being a 5.000 acre tract of land out of the Samuel McFarland Survey, Abstract 593, in Burnet County, Texas, and being out of and a part of that certain tract conveyed in a Deed from Aiden Smith to Clyde A. Lyda, et ux, hereafter called "Parent Tract", of record in Volume 245, Page 545, Deed Records of Burnet County, Texas, dated November 4, 1977, and being more particularly described, by metes and bounds as follows:

BEGINNING at a 1/2" iron rod found at the Southwest corner of a tract of land conveyed by Robert L. and Betty L. Edwards Living Trust to Nancy A. Fegan, et al; of record in Volume 783, Page 269, Official Public Records of Burnet County, Texas, dated February 26, 1998, at the Northwest corner of a tract of land conveyed by Sean Devaney, et ux, to Melinda Stockwell, of record in Volume 781, Page 27, Official Public Records of Burnet County, Texas, dated February 10, 1998, at the Northeast corner of a tract of land conveyed by Silas S. Griggs to Chris S. Scott, et ux, of record in Volume 911, Page 780, Official Public Records of Burnet County, Texas, dated April 20, 2000, a corner of the Parent Tract, and the Southeast corner hereof;

THENCE S71°07'15"W, the back bearing for this survey, with the Northern boundary line of said Scott tract, a 1/2" iron rod found at the Southeast corner of a 5.97 acre tract out of the Parent Tract, the Northernmost Southeast corner of a 50 foot wide easement for ingress and egress described herein, and the Southwest corner hereof;

THENCE N2°13'08"W, with the Eastern boundary line of said 5.97 acre tract, at 52.19 feet, a 1/2" iron rod found, at the Northeast corner of said 50 foot wide easement described herein, in all a distance of 249.88 feet to a 1/2" iron rod set at the Northwest corner hereof;

THENCE N66°12'34"E, a distance of 354.88 feet to a 1/2" iron rod set, for an interior ell corner hereof;

THENCE N34°22'08"E, a distance of 394.57 feet to a 1/2" iron rod set, for the Northernmost corner hereof;

THENCE S55°37'52"E, a distance of 144.91 feet to a 1/2" iron rod set, Northwestern boundary line of the abovesaid Fegan tract, in the Eastern boundary line of the Parent Tract, and the Northeast corner hereof;

THENCE S34°22'08"W, with the Northwestern boundary line of said Fegan tract, a distance of 152.25 feet to a fence corner post at the Westernmost corner of said Fegan tract, and an interior ell corner hereof;

THENCE S18°34'48"E, with the Western boundary line of said Fegan tract, a distance of 298.66 feet to the POINT OF BEGINNING, and calculated to contain 5.000 acres.

TOGETHER WITH an interest in a 50 foot wide easement for ingress and egress, described herein.

Field notes to accompany a 50 foot wide easement for ingress and egress, out of the Samuel McFarland Survey, Abstract 593, in Burnet County, Texas:

Being a 50 foot wide easement for ingress and egress, out of the Samuel McFarland Survey, Abstract 593, in Burnet County, Texas, and being out of and a part of that certain tract conveyed in a Deed from Aiden Smith to Clyde A. Lyda, et ux, hereafter called "Parent Tract", of record in Volume 245, Page 545, Deed Records of Burnet County, Texas, dated November 4, 1977, TOGETHER WITH a 50 foot wide easement for ingress and egress, to County Road 332, out of the Samuel McFarland Survey, Abstract 593, in Burnet County, Texas, of record in Volume 312, Page 752, Deed Records of Burnet County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 60d nail found in the South corner post of a gate at the Southwest corner of a 50 foot wide easement for ingress and egress, to County Road 332, out of the Samuel McFarland Survey, Abstract 593, in Burnet County, Texas, of record in Volume 312, Page 752, Deed Records of Burnet County, Texas:

THENCE S71°21'45"W, a distance of 50.00 feet to a 1/2" iron rod found at the Southwest corner hereof;

THENCE N18°38'18"W, a distance of 448.35 feet to a 1/2" iron rod found at an interior ell corner in the South line of an existing caliche road;

THENCE N18°38'18"W, crossing said caliche road, a distance of 50.00 feet to a 1/2" iron rod found at an

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BURNET COUNTY, TEXAS

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Page 2 of 3

Field notes to accompany a Survey Plat of a 5.000 acre tract of land out of the Samuel McFarland Survey, Abstract 593, in Burnet County, Texas:  
Prepared for: Clyde A. Lyda, et ux. (Continued).

THENCE N18°37'13"W, a distance of 44.44 feet to a 1/2" iron rod found;

THENCE N18°37'50"W, a distance of 50.00 feet to a 1/2" iron rod found at the Northwest corner hereof;

THENCE N71°07'15"E, a distance of 238.44 feet to a 1/2" iron rod found in the Western boundary line of a 5.000 acre tract described herewith, for the Northeast corner hereof;

THENCE S2°13'08"E, a distance of 52.19 feet to a 1/2" iron rod found at the Southwest corner of a 5.000 acre tract described herewith, in the Northern boundary line of a tract of land conveyed by Silas S. Griggs to Chris S. Scott, et ux, of record in Volume 911, Page 780, Official Public Records of Burnet County, Texas, dated April 20, 2000, and the Northernmost Southeast corner hereof;

THENCE S71°07'15"W, with the Northern boundary line of said Scott tract, a distance of 173.70 feet to a fence corner post at an interior ell corner of the Parent Tract, at the Northwest corner of said Scott tract, for an interior ell corner hereof;

THENCE S18°38'15"E, with the Western boundary line of said Scott tract, a distance of 493.45 feet to a 60d nail found in a fence corner post at the North end of a gate, at the Southwest corner of said Scott tract, the Northwest corner of the aforesaid 50 foot wide easement for ingress and egress, to County Road 332, out of the Samuel McFarland Survey, Abstract 593, in Burnet County, Texas, of record in Volume 312, Page 752, Deed Records of Burnet County, Texas

THENCE S18°38'15"E, with the gate, a distance of 49.55 feet the POINT OF BEGINNING.

TOGETHER WITH an interest in a 50 foot wide easement for ingress and egress, of record in Volume 312, Page 752, Deed Records of Burnet County, Texas.

I, Larry G. Hada, do hereby certify that the foregoing Field Notes and accompanying Survey Plat were prepared from an actual survey made upon the ground, the Records of Burnet County, Texas and surveys of area properties, that the corners and boundaries with marks natural and artificial are as found on the ground, that discrepancies, conflicts, protrusions or intrusions, overlapping of improvements, easements, visible or apparent to me are shown or described hereon, that said property has access to and from a dedicated roadway, and that said property IS NOT located within a 100-year flood plain area as delineated by the Federal Emergency Management Agency, FEMA, on Flood Insurance Rate Map, FIRM, Panel No. 48053C0275C, dated November 16, 1990.

*Larry G. Hada*  
Larry G. Hada, R.P.L.S.  
State of Texas No. 2153



Date 8-13-01  
HADA ENGINEERING AND SURVEYING  
HC 63 BOX 44A MULLIN, TX 76864

Job No. 0107-11-S

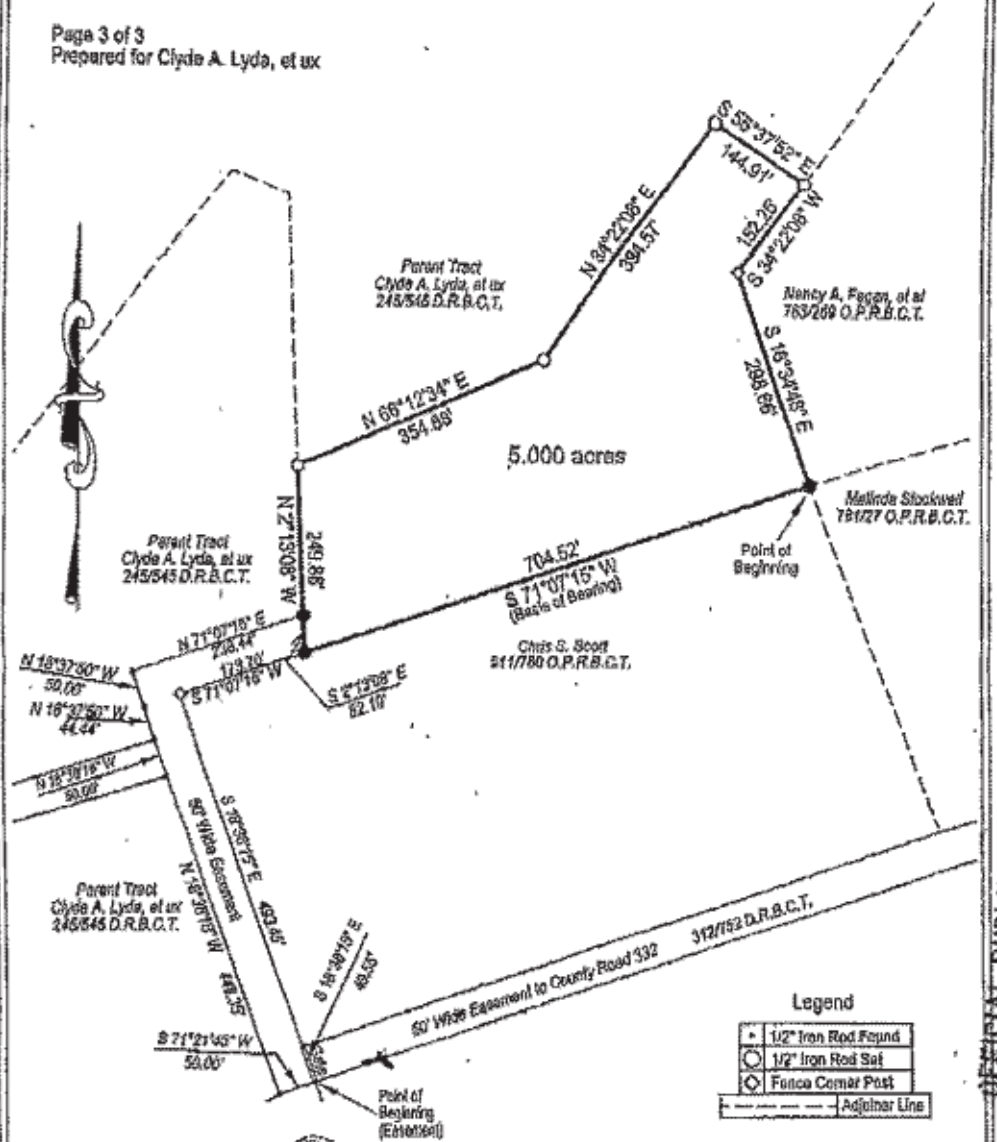
OFFICIAL PUBLIC RECORD  
BURNET COUNTY TEXAS

1024 0730

# Survey Plat of 5.000 acres out of Samuel McFarland Survey, Abstract No. 593 Burnet County, Texas

Deed Per Volume 243, Page 345, Deed Records of Burnet County, Texas, dated November 4, 1977.

Page 3 of 3  
Prepared for Clyde A. Lyda, et ux



I, Larry G. Hada, do hereby certify that the foregoing Survey Plat was prepared from an actual survey made upon the ground, the records of Burnet County, Texas and surveys of area properties, that the corners and boundaries with marks, natural and artificial are as found on the ground, that discrepancies, conflicts, omissions or inclusions, corrections of improvements, or exceptions, relative to the acquisition of described interests, that said property has access to and through a dedicated roadway and that said property IS NOT located within a flood plain area as delineated by the Federal Emergency Management Agency, FEMA, on Flood Insurance Rate Map, FIRMA, Deed No. 495020722, dated November 14, 1990.

Legend

○	1/2" Iron Rod Found
○	1/2" Iron Rod Set
○	Found Corner Post
---	Adjacent Line

Scale 1" = 200.00 Feet

NOTE  
No improvements exist on this Property

**HADA ENGINEERING AND SURVEYING**  
 HC 63 BOX 44A MULLIN, TEXAS 76864  
 TEL 915-942-5302

OFFICIAL PUBLIC RECORD  
 BURNET COUNTY, TEXAS  
 1024-0731

1028 11/11  
1028 11/11

RETURN TO  
*Longhorn Tille Co., Inc.*  
801 Main  
Georgetown TX 78626

**EXHIBIT "C"**



STATE OF TEXAS  
COUNTY OF BURNET

I hereby certify that this instrument was FILED on this date  
and at the time stamped hereon by me and was duly  
RECORDED in the OFFICIAL PUBLIC RECORDS  
OF BURNET COUNTY, TEXAS in the volume  
and Page as shown.



Janet Parker  
County Clerk  
Burnet County, Texas  
By *William E. Ebert*  
DEPUTY

Any provision herein which restricts the sale, rental or use  
of the described real property because of color or race is  
invalid and unenforceable under federal law.

012722

FILED

01 NOV 16 AM 9:14

JANET PARKER  
COUNTY CLERK  
BURNET COUNTY, TEXAS

OFFICIAL PUBLIC RECORD  
BURNET COUNTY, TEXAS

1024 0732

OFFICIAL FBI RECORDS

1987 07 12

RECEIVED  
FEDERAL BUREAU OF INVESTIGATION  
U.S. DEPARTMENT OF JUSTICE

11:20 AM 01/20/10

2/17/10  
COB/FV

Vendor Nations Valuation Services, Inc.  
 Address: 9801 Legler Road  
 Lenexa, KS 66219-5571  
 Payee Code: APNATIONSV  
 Vendor Contact: Melissa Miller  
 Vendor Ref #: CBVMCC08  
 Servicer: P-H Mortgage  
 Inv. ID / Cat. ID 496/224  
 Investor Name FNMA/USAA  
 Invoice ID

Regarding:  
 MCCRAE DAVID A  
 350  
 BERTRAM, TX 78605

Invoice Number: 12VSG7631  
 Invoice Status: Check Confirmed  
 Loan No.:  
 Loan Type: FannieMae  
 Acquisition Date:  
 Type: Non-Judicial  
 Referral Date: 12/26/2012  
 Loan Location: US  
 Submitted Date: 1/11/2013  
 Vendor Invoice Date: 12/26/2012  
 Paid In Full Date: N/A  
 Foreclosure Removal Date: N/A  
 MS Status: N/A  
 Relief Requested Date: N/A  
 Protection Begin Date: N/A  
 Protection End Date: N/A

**BPO - BPO Services**

Submitted	1st Reviewed	Last Reviewed	Accepted	Approved	Chk Requested	Chk Confirmed	Days To Proc
01/11/2013				01/11/2013	01/11/2013	01/12/2013	1

Dept	Comments	Line Items	Exceptions	Edit Summary	Adj. Summary	Chronology	Quote	Service Request	Guideline	Invoice Mapping	History	Payments	Reconciliation
------	----------	------------	------------	--------------	--------------	------------	-------	-----------------	-----------	-----------------	---------	----------	----------------

<b>Costs</b>	Total:	\$89.00	IM Prev. Billed:	\$0.00	Exc. Loan Allow:		Exc. Ord Allw:
					Exc. Loan Total Fees/Costs Allow:		
<b>Totals</b>	Inv Amt:	\$89.00	Prev. Billed:	\$0.00	Loan Total Fees/Costs Prev.Billed:	\$0.00	Exc. Ord Allw:

**Costs**

Category	Subcategory	Date	Qty	Price	Orig. Billed	Adjust	Net	
Valuation Costs	BPO with pictures - Exterior	12/26/12	1	\$89.00	\$89.00	\$0.00	\$89.00	
					Total:	\$89.00	\$0.00	\$89.00
					Invoice Total:	\$89.00	\$0.00	\$89.00



**Safeguard  
PROPERTIES**

7887 Safeguard Circle  
Valley View, OH 44125  
Toll Free 800.852.8306  
Fax 216.739.2700  
www.safeguardproperties.com

**INVOICE** 28978861

**Invoice Date**  
3/1/2013

DAVID A MCCRAE  
350 CEE RUN  
BERTRAM, TX 78605

To

**PHH MORTGAGE CORPORATION  
PHH MORTGAGE CORPORATION  
2001 BISHOP GATE BLVD  
MAILSTOP SV28  
MT. LAUREL, NJ 08054**

**Remit To:**  
P.O. Box 714441  
Columbus, OH 43271-4441

Customer Information	
Loan Type	FNM
Loan Number	

**Work Order #** 115879998  
**Work Ordered** Contact Insp-Mobile Home

Description	Units	Total Price	Sales Tax
Contact Insp-Mobile Home	1 @ \$11.25	\$11.25	\$0.00

<b>Terms: Net 10 Days</b>	<b>Date Completed</b>	2/21/2013	<b>Billed</b>	\$92,078.75
			<b>Sales Tax</b>	\$0.00
			<b>Total Amount</b>	\$92,078.75
	<b>Credits:</b>	\$92,078.75	<b>Net Due:</b>	\$0.00



**Safeguard  
PROPERTIES**

7887 Safeguard Circle  
Valley View, OH 44125  
Toll Free 800.852.8306  
Fax 216.739.2700  
www.safeguardproperties.com

**INVOICE**

28372225

**Invoice Date**  
1/25/2013

DAVID A MCCRAE  
350 CEE RUN  
BERTRAM, TX 78605

To  
PHH MORTGAGE CORPORATION  
PHH MORTGAGE CORPORATION  
2001 BISHOP GATE BLVD  
MAILSTOP SV28  
MT. LAUREL, NJ 08054

**Remit To:**  
P.O. Box 714441  
Columbus, OH 43271-4441

Customer Information	
Loan Type	FNM
Loan Number	

**Work Order #** 113492428  
**Work Ordered** Contact Insp-Mobile Home

Description	Units	Total Price	Sales Tax
Contact Insp-Mobile Home	1 @ \$11.25	\$11.25	\$0.00

<b>Terms: Net 10 Days</b>	<b>Date Completed</b>	1/21/2013	<b>Billed</b>	\$26,943.75
			<b>Sales Tax</b>	\$0.00
			<b>Total Amount</b>	\$26,943.75
	<b>Credits:</b>	\$26,943.75	<b>Net Due:</b>	\$0.00

**EXHIBIT "C"**

**BARRETT DAPPIN FRATPIER TURNER & ENGEL, LLP**

A Partnership Including Professional Corporations  
 ATTORNEYS AND COUNSELORS AT LAW  
 15000 Surveyor Blvd  
 Addison, Texas 75001

Telephone: (972)386-5040  
 Telecopier: (972)386-7673

**INVOICE**

PHH MORTGAGE CORP. F/K/A CENDANT MORTGAGE CORP.  
 2001 BISHOPS GATE BLVD.  
 MT. LAUREL, NJ 08054

March 01, 2013  
 Tax #  
 Invoice Number : 11468636

RE : DAVID A MCCRAE  
 350 CEE RUN  
 BERTRAM, TX 78605

Loan Number :  
 FileNumber :  
 Client Id  
 Loan Type : Conventional  
 Investor

<b>ATTORNEY FEES</b>		<u>Recoverable</u>	<u>Non-Recoverable</u>	<u>Item Total</u>
01/28/2013	Trustees sale scheduled for 03/05/2013	810.00	0.00	\$810.00
<b>TOTAL PROFESSIONAL FEES</b>				<b>\$810.00</b>
<b>COSTS AND EXPENSES</b>		<u>Recoverable</u>	<u>Non-Recoverable</u>	<u>Item Total</u>
01/28/2013	Posting Notice of Sale*	75.00	0.00	\$75.00
01/28/2013	Filing Notice of Sale*	3.00	0.00	\$3.00
01/17/2013	Statutory Service of Notice - State*	13.60	0.00	\$13.60
01/08/2013	Preforeclosure Title Search	225.00	0.00	\$225.00
01/25/2013	Recording of Appointment	16.00	0.00	\$16.00
<b>TOTAL COSTS AND EXPENSES</b>				<b>\$332.60</b>
			<b>TOTAL DUE</b>	<b>\$1,142.60</b>

\* These expenditures are required by the Texas Property Code statutory and regulatory prescriptions.

**Your annual escrow statement**  
 March 5, 2013

9030035 NH 45 5 US  
 DAVID A MCCRAE  
 BARBARA A MCCRAE  
 350 CEE RUN  
 BERTRAM, TX 78805  


Loan number: Y-----

**Questions?**

Visit us at  
[www.MortgageQuestions.com](http://www.MortgageQuestions.com)  
 Call toll free 1-800-449-8722  
 Fax 1-856-917-8300

**Your current monthly mortgage payment**  
 as of 03/05/2013 \$908.03

**Your escrow account balance**

Your projected balance on March 31, 2013	1,649.83
Your required balance on March 31, 2013	1,247.65
<b>Your escrow account overage</b>	<b>\$402.18</b>

**Your new monthly mortgage payment effective in April 2013**

Principal and interest	\$621.64
Escrow deposit*	\$199.77
<b>Total new monthly payment</b>	<b>\$821.41</b>

**How we calculated your new monthly escrow payment**

To calculate your new monthly escrow payment, we added up the estimated or actual tax and insurance payments on your account for the 12 months starting with April 2013, and divided the total by 12.

HAZARD INS	\$1,647.19
COUNTY TAX	\$750.05
<b>Total</b>	<b>\$2,397.24</b>

\*Your new monthly escrow payment (one-twelfth of the total) **\$199.77**

**Your escrow account has an overage**

Your escrow account has a surplus of \$402.18; however, this surplus is being retained due to the delinquent status of your mortgage. Once your loan returns to a current status, please contact our customer service department at the above referenced number to determine if the surplus is still valid.

Visit our website for up-to-date information about tax and insurance disbursements, recent payments, account balances and more!

**Your escrow account projections for the next year**

Date	Description	Estimated amounts paid into your escrow account (\$)	Estimated amounts paid out of your escrow account (\$)	Estimated escrow account balance (\$)	Required escrow account balance (\$)
	<b>Opening balance</b>			<b>1,649.83</b>	<b>1,247.65</b>
April		199.77		1,849.60	1,447.42
May		199.77		2,049.37	1,647.19
June		199.77		2,249.14	1,846.96
July	HAZARD INS.	199.77	1,647.19	801.72	399.54*
August		199.77		1,001.49	599.31
September		199.77		1,201.26	799.08
October		199.77		1,401.03	998.85
November		199.77		1,600.80	1,198.62
December	COUNTY TAX	199.77	750.05	1,050.52	648.34
January		199.77		1,250.29	848.11
February		199.77		1,450.06	1,047.88
March		199.77		1,649.83	1,247.65

\* Your required escrow account balance is the amount required by federal law, state law and your mortgage contract. It may include a cushion of up to \$399.54 (up to 2/12ths of the total estimated amount being paid out of your escrow account).

Tear off here

**Escrow analysis coupon**

Loan Number: .....

Your escrow account has a surplus of \$402.18; however, this surplus is being retained due to the delinquent status of your mortgage. Once your loan returns to a current status, please contact our customer service department at the above referenced number to determine if the surplus is still valid.

This is a statement of actual activity in your escrow account shown in comparison to the projections we used in your prior escrow analysis.

Date	Description	Amounts paid into your escrow account		Amounts paid out of your escrow account		Escrow account balance	
		Estimated (\$)	Actual (\$)	Estimated (\$)	Actual (\$)	Estimated (\$)	Actual (\$)
<b>Opening balance</b>						<b>795.22</b>	<b>515.18</b>
October		198.81	178.95 *			994.03	693.54
November		198.81	-			1,192.84	693.54
December	COUNTY TAX	198.81	-	738.51	750.05 *	653.14	-58.51
January		198.81	-			851.95	-58.51
February		198.81	-			1,050.76	-58.51
March		198.81	1,706.34 E		E	1,249.57	1,649.83
April		198.81	-			1,448.38	
May		198.81	-			1,647.19	
June		198.81	-			1,846.00	
July	HAZARD INS.	198.81	-	1,647.19	-	397.62	
August		198.81	-			596.43	
September		198.81	-			795.24	

\* An asterisk (\*) beside an amount indicates a difference from projected activity either in the amount or the date. The letter (E) beside an amount indicates that the payment or disbursement has not yet occurred, but is estimated to occur as shown.

Last year, we estimated that the total amount paid out of your escrow account would be \$2,385.70.

Under federal law, your lowest actual escrow account balance should not have been more than \$397.62. Your required escrow account balance is the amount required by federal law, state law and your mortgage contract. In addition to the actual projected disbursements from the account, your escrow account balance may include an amount not greater than one-sixth (1/6) of the estimated total annual disbursements from the escrow account.

**Change of name or address**

If your contact information has changed, please give us the new information below.

Name (first, middle, last) \_\_\_\_\_

Address (number and street) \_\_\_\_\_ Suite no. \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip code \_\_\_\_\_

Home telephone \_\_\_\_\_ Business telephone \_\_\_\_\_ Extension \_\_\_\_\_  
 ( ) [ ]

E-mail address \_\_\_\_\_