Information & Instructions:: Extension of promissory notes and liens

1. An extension agreement allows the maker of a promissory note to extend the time to pay under the note.

2. The following form was used in a transaction in which the maker had a promissory note that matured and he desired to extend the note.

3. Because the note concerned real property, the Deed of Trust was also extended.

4. If, rather than agreeing to a simple extension of payments, the terms of the note will be modified, the form should be entitled Modification and Extension of a Real Estate Note and Deed of Trust.

Form: Extension of real estate note and deed of trust lien

EXTENSION OF REAL ESTATE NOTE AND DEED OF TRUST LIEN

STATE OF TEXAS
COUNTY OF __________

This agreement is made and entered into by and between [names], (hereafter referred to as "BORROWERS") and [name] (hereafter referred to as "BANK").

1. BORROWERS executed a Promissory Note (hereafter referred to as "NOTE") on or about [date], in the original principal sum of __________ DOLLARS ($ _____), payable to the order of [lender's name]. The Note was secured by a Deed of Trust of even date, signed by BORROWERS, and recorded in the __________ County Courthouse on __________ [date], under Film Code and Clerk's Recordination Number __________ and __________, respectively. The Deed of Trust conveyed BORROWERS' interest in the property described below to [name], as Trustee for [lender]. The Note and Deed of Trust are incorporated into this agreement by reference as Exhibits "A" and "B," respectively, and made a part of this agreement for all purposes.

2. The Note and Deed of Trust relate to and cover the following property (hereafter referred to as "PROPERTY"): [legal description of property], together with all improvements now or in the future located on the PROPERTY. Accordingly, the PROPERTY has been conveyed in trust to the BANK and the PROPERTY now stands as security for payment of the Note.

3. The Note provided in part as follows: [e.g., Note dated __________ in the principal sum of __________ DOLLARS ($ _____) with interest at __________ percent (_____%) in excess of the base rate of __________, Texas for a short term unsecured loan to substantial and responsible commercial borrowers, which interest rate was no less than __________ percent (_____%) or the maximum lawful rate of interest permitted by law, the Note being due and payable and maturing on __________ (date)].
4. The Deed of Trust provides among its other terms and conditions that all sums secured by the Deed of Trust are to be immediately due and payable in the event of the default of any one or more installment payments due under the Note.

5. The Note has now matured and BORROWERS desire to renew and extend the Note. Accordingly, BORROWERS are legally obligated and primarily liable for the payment of the Note and Deed of Trust, and they now desire to renew the aggregate balance now due on the Note, and to extend the time of payment of the Note, and to extend and carry forward the liens and security interests securing the payment of the Note and Deed of Trust.

6. BANK, the legal and equitable owner and holder on this date of the Note and Deed of Trust, at the specific request of BORROWERS, have agreed, as evidenced by the signatures below, to extend the time of payment of the BORROWERS' indebtedness referred to above, on the terms and conditions stated below.

7. In consideration of the promises recited above, which the undersigned acknowledge as true and correct, and in further consideration of the extension by the BANK of the Note and Deed of Trust, the undersigned agree that the true and lawful balance remaining due and payable on the Note, after all legal and agreed upon offsets and credits, is the sum of __________ DOLLARS ($ _____).

8. Therefore, in exchange for TEN DOLLARS AND NO CENTS ($10.00), and other good and valuable consideration paid by BANK to BORROWERS, the receipt and sufficiency of which is hereby acknowledged, and the further consideration of the renewal of the Note and the extension of time of payment of the indebtedness evidenced by the Note and the extension of the liens and security interests securing the payment of the Note, and BORROWERS acknowledge a renewal Note executed and delivered to BANK by virtue of this instrument in the new amount of __________ DOLLARS($ _____), such Note being a valid and subsisting debt and lien on the above described property.

9. Accordingly, BORROWERS agree, promise and obligate themselves to pay BANK at its office address in the City of __________, __________ County, Texas the sum of __________ DOLLARS ($ _____) [current loan balance], together with interest on that amount at __________ percent (_____%), subject to the interest not exceeding the maximum lawful rate permitted to be charged by law, and the Note is further limited by the provisions of this Note, as set forth below, which provisions control the calculation of interest to be charged on the loan evidenced by this Note. This Note shall be due and payable as follows:

   Principal and interest shall be due and payable in __________ consecutive monthly installments of __________ DOLLARS ($ _____) or more, each payable on the __________ day of each and every calendar month, beginning __________ [date], and continuing regularly thereafter until __________ [date], when the entire amount of principal and interest shall have been paid. Interest shall be calculated on the unpaid principal to the date of each installment paid, and the payment
made shall be credited first to the discharge of the interest accrued and the balance to the reduction of the principal.

10. BORROWERS also agree that the Deed of Trust referred to in the Exhibit to this Agreement is amended to secure the payment of the monies referred to above, plus interest, and in all other respects the Note and Deed of Trust referred to in Exhibits "A" and "B," and any and all other instruments and liens related to this transaction, shall remain in full force and effect until the final payment of the renewal Note referred to above.

11. This Agreement and the renewal Note as extended shall in no manner affect or impair the BANK'S lien or security interest on the property referred to above, and no lien or security interest is waived by virtue of this Agreement.

12. BORROWERS hereby assign any and all rentals or payments owed to BORROWERS on the above-described property as additional security to secure the payment of the renewed Note.

13. The Note and Deed of Trust, as extended and amended, shall secure the full, faithful and prompt performance of each and every covenant, agreement, liability, obligation and undertaking on the part of the undersigned to be paid, kept, met, observed and performed under this agreement, and under Exhibits "A" and "B." Any default by the undersigned in any of the covenants, agreements, liabilities, obligations or undertakings, as set forth in this Agreement, or in Exhibits "A" and "B," shall constitute a default under the Agreement.

14. It is additionally understood and agreed that the undersigned will not, without the prior written consent of Bank, execute or deliver any pledge, security agreement, mortgage, deed of trust, contract of sale, assign money, agree to deed lease or sale, sell, mortgage, assign or sell any security interest, or other encumbrance against the Property, or make any other agreement that could result in an equitable or legal transfer of all or any portion of the Property from the undersigned to a third party. In the event that the undersigned violate the above provisions of this paragraph, BANK, at its option, may, unless BANK has given its written consent to the violation, require immediate and full payment of all sums secured by the aforesaid Notes and Deed of Trust, and immediately after the acceleration thereof exercise its foreclosure rights as detailed in the Deed of Trust in Exhibit "B" attached to this Agreement.

Signed on ______________________.

BORROWERS:

________________________

________________________

________________________

LegalFormsForTexas.Com
State of Texas
County of __________

This instrument was acknowledged before me on ____________________ by

______________________________________________________________.

_____________________________________
Signature of officer

_____________________________________
Notary's typed or printed name

My commission expires: ____________________

[or Notary's Stamp]

PLEASE DO NOT COPY

THIS DOCUMENT

THANK YOU

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