

AN ORDINANCE 2007-02-08-0144

AUTHORIZING THE REALLOCATION OF \$25,000.00 TO BE PAID FROM DISTRICT 5 ONE TIME PROJECT FUNDS TO THE ESPERANZA CENTER TO ASSIST WITH THE PURCHASE OF RUEBEN'S ICE HOUSE, LOCATED AT 820 S. COLORADO IN DISTRICT 5, TO BE USED AS A GATHERING PLACE FOR THE COMMUNITY IN EXCHANGE FOR THE PROVISION OF PUBLIC PROGRAMS AT THE LOCATION, AS REQUESTED BY COUNCILWOMAN PATTI RADLE, DISTRICT 5.

* * * * *

WHEREAS, Councilwoman Patti Radle has requested City Council concurrence for the reallocation of \$25,000.00 from the District 5 One-Time Project Funds to the Esperanza Center in order to assist with the purchase of a property located at 820 S. Colorado (“Property”) in District 5; and

WHEREAS, the Esperanza Center intends to use the Property as a community gathering place and, in exchange for the \$25,000.00 in funding, has agreed to provide public programming at the Property free of charge to the community; and

WHEREAS, the City Council wishes to authorize the reallocation of \$25,000.00 as requested for the purpose set out above; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The request of Councilwoman Patti Radle, District 5, for the allocation of \$25,550.00 to be paid from District 5 One Time Project Funds to the Esperanza Center to assist with the purchase of a property located in District 5 to be used as a gathering place for the community in exchange for the provision of public programming at the location. A copy of Councilwoman Radle’s request is set out in Exhibit I.

SECTION 2. The City Manager or a designee is hereby authorized to execute an agreement with an authorized representative of the Esperanza Center which sets out the terms and conditions for receiving and using public funds. A copy of the agreement, previously executed by the Esperanza Center, is attached to this Ordinance as Exhibit II.

SECTION 3. The funding for this Ordinance is available through budget adjustments in Fund 11001000 General Fund, as listed below and the Fiscal Year 2006-2007 budget is amended to reflect these changes.

Decrease Budget	CC/FC/IO	CO Name	General Ledger No	GL Name
\$2,000.95	7002050002	GOOD SAMARITAN CENTER	5407030	Contributions
\$1,350.00	7002050003	WEST END PARK SENIOR CENTER - CNP	5201040	Fees to Professional Contractors

LB
02/08/07
Item No. 14

\$2,500.00	7002050006	DISTRICT 5 HIGH SCHOOL GRAFFITI PROGRAM	5407030	Contributions
\$14,219.39	7002050005	INMAN CHRISTIAN CENTER CORRIDOR REVITALI	5201040	Fees to Professional Contractors
\$4,929.66	7002050016	Amistad Park Project	5407030	Contributions
Total Amount: \$25,000.00				
Increase Budget	CC/FC/IO	CO Name	General Ledger No	GL Name
\$25,000.00	7002050024	Esperanza Center Project	5407030	Contributions

SECTION 4. Payment not to exceed \$25,000.00 is authorized to Esperanza Center and should be encumbered with a purchase order.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 6. This Ordinance shall be effective on and after the tenth day after passage.

PASSED AND APPROVED this 8th day of February, 2007.


M A Y O R

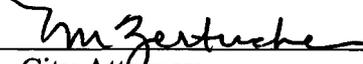
PHIL HARDBERGER

ATTEST:



City Clerk

APPROVED AS TO FORM:



for City Attorney

Agenda Voting Results

Name: 14.

Date: 02/08/07

Time: 10:16:12 AM

Vote Type: Multiple selection

Description: 14.

An Ordinance authorizing the reallocation of \$25,000.00 to be paid from District 5 One-Time Project Funds to the Esperanza Center to assist with the purchase of Rueben's Ice House, located at 820 S. Colorado in District 5, to be used as a gathering place for the community in exchange for the provision of public programs at the location, as requested by Councilwoman Patti Radle, District 5.

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1		x		
SHEILA D. MCNEIL	DISTRICT 2		x		
ROLAND GUTIERREZ	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
DELICIA HERRERA	DISTRICT 6		x		
ELENA K. GUAJARDO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8		x		
KEVIN A. WOLFF	DISTRICT 9			x	
CHIP HAASS	DISTRICT_10		x		
MAYOR PHIL HARDBERGER	MAYOR		x		

Exhibit
I



**CITY OF SAN ANTONIO
OFFICE OF THE CITY COUNCIL
COUNCIL CONSIDERATION REQUEST**

CITY OF SAN ANTONIO
CITY CLERK
07 JAN 30 PM 4:09

TO: Mayor & City Council

FROM: Councilwoman Patti Radle, District 5

COPIES TO: Sheryl Sculley, City Manager; Leticia Vacek, City Clerk; Erik J. Walsh, Assistant City Manager; Gayle McDaniel, Assistant to the City Council

SUBJECT: Request for Placement of Item on City Council Meeting Agenda

DATE: January 30, 2007

Issue Proposed for Consideration

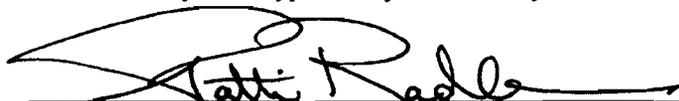
I ask for your support for the inclusion of the following item on the agenda of the earliest available meeting of the City Council:

- Reduce funds set aside in the FY 2000 District 5 One-Time Project budget for the Good Samaritan Center from \$2,000.95 to \$0, West End Park Senior Center from \$1,350.00 to \$0, District 5 High school Graffiti from \$2,500.00 to \$0, the Inman Christian Center Corridor Revitalization from \$14,219.39 to \$0 and Amistad Park Project from \$4,929.66 to \$0.
- Contribute \$25,000.00 to the Esperanza Center to help offset the cost associated with the purchase of Rueben's Ice House, located at 820 S. Colorado, which the Esperanza Center intends to use as a community gathering place and, in exchange for these funds, where they intend to provide 20 hours a month of public programming free of charge to the community for three years.

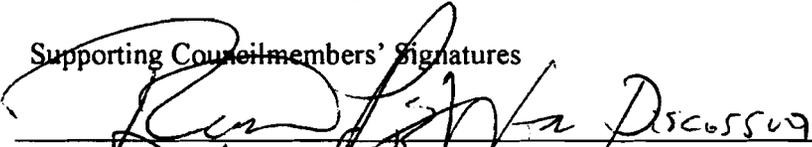
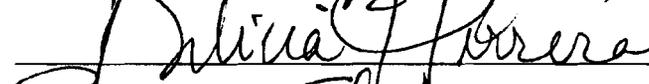
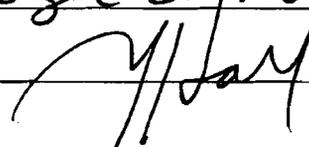
Brief Background

In prior fiscal years during the budget process, City Council authorized the appropriation of One-Time Project Funds for each Council district which were to be appropriated by councilmembers to fund various projects in their districts. In instances where the projects have been completed for less than the appropriated amount or where the funds are no longer needed, the remaining funds may be reallocated by the councilmember, subject to approval by the full City Council.

Submitted for Council consideration by:


Sponsoring Councilmember

FIVE SIGNATURES REQUIRED FOR PLACEMENT ON FUTURE COUNCIL AGENDA

Supporting Councilmembers' Signatures	District No.
1. <u> Discussing</u>	<u>4</u>
2. <u></u>	<u>6</u>
3. <u>Roger A. Flores (ROS)</u>	<u>1</u>
4. <u></u>	<u>8</u>



December 8, 2006

Honorable Patti Radle
1410 Guadalupe Street, Suites 109 and 119
San Antonio, TX 78207

Dear Council Member Radle:

I write to provide further information and to submit a written proposal to you regarding the Ruben's Ice House Project that we discussed the other day.

As you know, Ruben's Ice House was a significant part of the cultural life of the Westside in the 1940s, 50s and 60s. As a tienda, outdoor restaurant, and gathering spot, Ruben's Ice House was an important venue for family and community activities. Parents would stop by with their children after school to buy a snack and some groceries; teenagers would stop for a hamburger on the way to a dance; and people would gather throughout the day for lively conversation and good company.

The Esperanza proposes to preserve Ruben's Ice House as a community-gathering place. Although exact plans for the space await further discussion with community participants and a survey with community members, some ideas have been surfaced already. Observing that the Arte es Vida program is already using most of the space in Esperanza's Casa de Cuentos at 816 S. Colorado, some have suggested that Ruben's Ice House be used as a "community archive," housing family photos, diaries, and other community momentos. Along the same lines, some have suggested that we should take down the fence that separates the two properties, which would have the effect of more than doubling the space available for community gatherings, performances, mercados, and other events.

Another line of suggestions focuses on the potential for job creation and earned income. Perhaps the Esperanza should re-open Ruben's Ice House as a small restaurant, selling healthy aguas frescas, fruits, vegetables and tacos. Perhaps this could be combined with a children's bilingual bookstore. For the next

several months, at least, we will invite community to dream of the possibilities and survey the community for their opinions and needs.

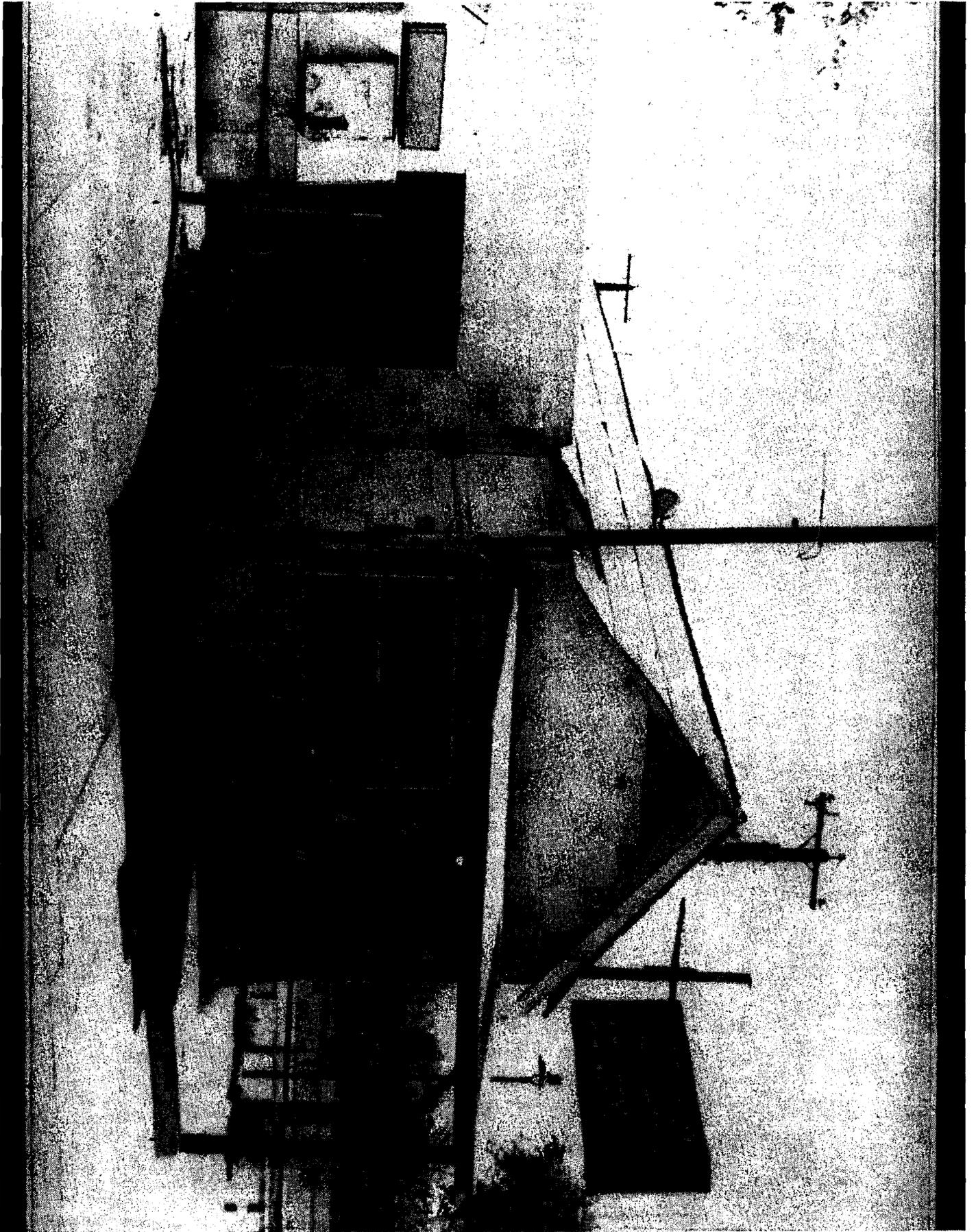
The purchase price of Ruben's Ice House is \$55,000. We are discussing the possibility of a mortgaged loan with two banks, and we should be able to borrow at least \$20,000. In addition we are planning a fund-raising effort targeted at the purchase of Ruben's Ice House to begin in the early Spring of 2007. We have also begun to apply for restoration funds from the San Antonio Area Foundation and will also search out other foundations for possible funds. Through The Cultural Collaborative (TCC), we hope to apply for some funds, but understand that this will be a very competitive process. We are also inquiring about CDBG funds and hope your staff can help guide us through this process.

We would like to apply to you for discretionary funds in the amount of \$25,000 to provide the down payment that will allow us to borrow and raise enough to purchase the Ruben's Ice House. Please let me know what further information would be helpful.

Con mucho respeto,



Graciela Isabel Sánchez



December 13, 2006

To Whom It May Concern:

This letter will verify that the Estate of Eilda R. Reyes has contracted to sell the property at 820 S. Colorado to the Esperanza Peace & Justice Center for a price of \$55,000. Closing is currently scheduled for December 30, 2006.

Sincerely,



Esmeralda R. Rocha
Independent Executor for the Estate of Eilda R. Reyes

Exhibit
II

AGREEMENT TO USE FUNDS
Of the City of San Antonio

THIS AGREEMENT is entered into by and between the City of San Antonio, a Texas Municipal Corporation (“**CITY**”) acting by and through its City Manager, pursuant to Ordinance No. 2007-02-08-0144 passed and approved on February 8, 2007, and the Esperanza Center, (“**Recipient**”) by and through its Director, Graciela Sanchez, **WITNESSETH:**

WHEREAS, Recipient is headquartered in Bexar County, Texas with a mailing address at 922 San Pedro, San Antonio, Texas 78212; and

WHEREAS, Recipient currently receives operational funding from the City’s Arts Funding Program and provides art services to the community; and

WHEREAS, Recipient has submitted a \$25,000.00 request to the City for funds to be used toward the purchase of Rueben’s Ice House located at 820 S. Colorado in Council District 5 (“**Property**”); and

WHEREAS, Recipient’s Casa de Cuentos is located next door to the Property at 816 S. Colorado; and

WHEREAS, City Council hereby finds that such expenditure serves a municipal public purpose in that it will provide a gathering area and art services to the community and promote the general welfare of the citizens in the area; **NOW THEREFORE:**

For and in consideration of the following mutual promises and obligations and for the benefit of the citizens of the City of San Antonio, the parties herein agree as follows:

1. In consideration of the payment of the sum of \$25,000.00 to Recipient by the City, Recipient agrees to spend these funds only in connection with the purchase of the Property.
2. Prior to the receipt of any funds hereunder, Recipient shall:
 - a) demonstrate all funding for the purchase of the Property is in place in a manner satisfactory to the City;
 - b) demonstrate to the City that all escrow money required for the purchase of the Property is in place in a manner satisfactory to the City; and
 - c) demonstrate to the City that all required inspections have been performed at the Property and that all necessary safety and environmental reclamation efforts have been completed.
3. Once the requirements of Section 2 are satisfied and Recipient has provided sufficient notice to the City of their completion, the City shall pay Recipient the sum set forth in Section 1.
4. Accounting records for expenditures shall be maintained by Recipient in accordance with generally accepted accounting practices, and shall be subject to audit by the City or its

contracted auditor. These records shall be maintained for a period of three years from the effective date of this Agreement.

5. Recipient agrees that it will improve the building located at the Property so that it is fit for its intended purposes and in so doing Recipient shall comply with all federal, state and local laws and regulations.
6. Once the improvements required by Section 5 are complete, Recipient shall provide at least twenty (20) hours per month of public programming at the Property for a three (3) year period ("Public Activities"). These Public Activities will be put on by Recipient and open to all members of the community at no charge. Recipient shall provide the City's Office of Cultural Affairs with a six-month schedule of such Public Activities ten (10) days prior to the beginning of each such period during this three (3) year term. Recipient shall also provide any other information related to public use deemed necessary to the City.
7. Recipient agrees that no funds provided from or through City shall be contributed or used to conduct political activities, including political activities for the benefit of any candidate for elective office, political party, organization or measure, whether partisan or non-partisan ("Political Activities"). Further, the Public Activities required under Section 6 of this Agreement shall not include any such Political Activities.
8. This Agreement will commence immediately upon execution hereof upon authorization of the above mentioned Ordinance.
9. Any literature signs, or print advertising of any type appearing on any medium which refers to the purchase of the Property shall contain the words, "Paid for in part by The City of San Antonio."
10. This Agreement is not assignable and funds received as a result hereof shall only be used by the parties stated herein.
11. In the event that all of the above-described funds are not used for the purpose set out in Section 1 of this Agreement and in accordance with all terms and provisions hereof, Recipient agrees to refund any amounts to the City which were not used in accordance with these terms within thirty (30) days of the City's request.
12. Should Recipient fail to fulfill, in a timely and proper manner, obligations under this Agreement or if Recipient should violate any of the covenants, conditions, or stipulations of this Agreement, City shall thereupon have the right to terminate this Agreement by sending written notice to Recipient of such termination and specify the effective date thereof (which date shall not be sooner than the end of ten (10) days following the day on which such notice is sent). Should this Agreement be terminated prior to Recipient fulfilling all the obligations set forth in Section 6 of this Agreement, Recipient shall be responsible for repaying City a pro rated portion of the amount funded by the City set forth in Section 1 of this Agreement within thirty (30) days of receipt of the City's notice of termination. The pro rated amount due the City shall be determined based on the number of hours of Public Activities actually provided by Recipient.

13. None of the performance rendered hereunder shall involve, and no portion of the funds received hereunder shall be used, directly or indirectly, for the construction, operations, maintenance or administration of any sectarian or religious facility or activity, nor shall said performance rendered or funds received be utilized so as to benefit, directly or indirectly, any such sectarian or religious facility or activity.

14. **INSURANCE**

Recipient agrees to comply with the following insurance provisions:

a) Prior to the commencement of any work under this Agreement, Recipient shall furnish an original completed Certificate(s) of Insurance to the City Clerk's Office with a copy to the City's Office of Cultural Affairs. Said Certificate(s) shall be completed by an agent authorized to bind the named underwriter(s) and their company to the coverage, limits, and termination provisions shown thereon, and which shall furnish and contain all required information referenced or indicated thereon. The Certificate will identify this Agreement by name or reference this Agreement. The original certificate(s) must have the agent's original signature, including the signer's company affiliation, title and phone number, and shall be mailed, transmitted or conveyed directly from the agent to the City. The City shall have no duty to pay or perform under this Agreement until such certificate shall have been properly delivered to the City Clerk's Office. No officer or employee of the City shall have authority to waive this requirement. If the City in its sole discretion determines that Recipient is in violation of the above requirements, the City shall have the right to dispatch auditors of its choosing to conduct the required audit. In such an event, Recipient shall pay for such audit.

b) The City reserves the right to review the insurance requirements of this Section before or during the effective period of the Agreement and any extension or renewal hereof and to reasonably require modification or amendment to the insurance coverages, limits and endorsements attached thereto, when deemed necessary and prudent by the City's Risk Manager. Such modifications or amendments will be made solely for the purpose of addressing changes in statutory law, court decisions, or circumstances surrounding this Agreement.

c) Recipient's financial integrity is of interest to the City. Recipient shall have the right to maintain reasonable deductibles in such amounts as are approved by the City. Recipient shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Recipient's sole expense, insurance coverage written, on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and rated B- or better by A.M. Best Company and/or otherwise approved by City's Risk Manager in the following types and amounts:

<u>Policy Types*</u>	<u>Amount</u>
1. Worker's Compensation	\$ _____
Employer's Liability	\$ _____
2. Commercial General Liability	<u>\$1,000,000</u>

- 3. Crime Coverage theft, employee dishonesty \$25,000
- 4. Liquor Legal Liability \$ _____
- 5. Business Auto \$ _____
- 6. Professional Liability \$ _____
- 7. Builder's Risk \$ _____
- 8. Environmental Impact Liability \$ _____

*if applicable as determined by the City's Risk Manager

d) The City shall be entitled, upon request and without expense, to review copies of any and all policies, including current and past declaration pages, schedules and all endorsements thereto as they apply to the limits required by the City, and may make a reasonable request for deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Upon such request by the City, Recipient shall exercise every reasonable effort to accomplish such changes in policy coverages, and shall pay the cost thereof.

e) Recipient agrees that with respect to the above required insurance, all insurance contracts and Certificate(s) of Insurance will contain the following provisions:

- Name the City and its officers, employees, volunteers and elected representatives as additional insureds as respects operations and activities of, or on behalf of, the named insured performed under contract with the City;
- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the City is an additional insured shown on the policy;
- Recipient's insurance shall be deemed primary with respect to any insurance or self-insurance carried by the City of San Antonio for liability arising out of operations under the Agreement with the City of San Antonio.

f) Recipient shall notify the City in the event of any notice of cancellation, non-renewal or material change in coverage and shall give such notices not less than thirty (30) days prior to the change, or ten (10) days notice for cancellation due to non-payment of premiums, which notice must be accompanied by a replacement Certificate of Insurance. All notices shall be given to the City at the following addresses:

City of San Antonio
 City Clerk's Office
 P.O. Box 839966
 San Antonio, Texas 78283-3966

City of San Antonio
 Office of Cultural Affairs
 P.O. Box 839966
 San Antonio, Texas 78283-3966

g) If Recipient fails to maintain the insurance required under this Agreement, or fails to secure and maintain the aforementioned endorsements, the City may obtain such insurance, and deduct and retain the amount of the premiums for such insurance from any sums due under this Agreement. Procuring of said insurance by the City, however, is not the exclusive remedy for failure of Recipient to maintain said insurance or secure said endorsements. In addition to any other remedies the City may have upon Recipient's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Recipient to stop work hereunder, and/or withhold any payment(s) which become due to Recipient hereunder until Recipient demonstrates compliance with the requirements hereof.

Nothing herein contained shall be construed as limiting in any way the extent to which Recipient may be held responsible for payments of damages to persons or property resulting from Recipient or its subcontractors' performance of the work covered under this Agreement.

h) It is expressly understood and agreed to by Recipient that additional insurance (e.g. liquor legal liability, professional liability, motor truck cargo insurance, payment and performance bonds, builders risk, pollution, a fuel storage tank, environmental, commercial crime/fidelity bond, theft, employee dishonesty or other insurance as required by City's Risk Manager) may have to be purchased by Recipient if the City determines at the time of contract execution or during the term of the Agreement, that such insurance is applicable.

15. **INDEMNITY**

Recipient covenants and agrees to FULLY INDEMNIFY, and HOLD HARMLESS, the City the elected officials, employees, officers, directors, volunteers, and representatives of the City, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the City directly or indirectly arising out of, resulting from or related to Recipient's activities under this Agreement, including any acts or omissions of Recipient, any agent, officer, director, representative, employee, consultant or subcontractor of Recipient, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this Agreement, all without however, waiving any governmental immunity available to the City under Texas Law and without waiving any defenses of the parties under Texas Law. IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF THE CITY, THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES OF CITY, UNDER THIS AGREEMENT. The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to

create or grant any rights, contractual or otherwise, to any other person or entity. Recipient shall promptly advise the City in writing of any claim or demand against the City or Recipient known to Recipient related to or arising out of Recipient's activities under this Agreement and shall see to the investigation of and defense of such claim or demand at Recipient's cost. The City shall have the right, at its option and at its own expense, to participate in such defense without relieving Recipient of any of its obligations under this Section.

It is the EXPRESS INTENT of the parties to this Agreement, that the INDEMNITY provided for in this Section is an INDEMNITY extended by Recipient to INDEMNIFY, PROTECT and HOLD HARMLESS, the City from the consequences of the City's OWN NEGLIGENCE, provided however, that the INDEMNITY provided for in this Section SHALL APPLY only when the NEGLIGENT ACT of the City is a CONTRIBUTORY CAUSE of the resultant injury, death, or damage, and shall have no application when the negligent act of the City is the sole cause of the resultant injury, death, or damage. Recipient further AGREES TO DEFEND, AT ITS OWN EXPENSE, and ON BEHALF OF THE CITY AND IN THE NAME OF THE CITY, any claim or litigation brought against the City and its elected officials, employees, officers, directors, volunteers and representatives, in connection with any such injury, death, or damage for which this INDEMNITY shall apply, as set forth above.

16. Should Recipient fail to fulfill, in a timely and proper manner, obligations under this Agreement or if Recipient should violate any of the covenants, conditions, or stipulations of this Agreement, City shall thereupon have the right to terminate this Agreement by sending written notice to Recipient of such termination and specify the effective date thereof (which date shall not be sooner than the end of ten (10) days following the day on which such notice is sent). Should this Agreement be terminated prior to Recipient fulfilling the obligations set forth in Section 6 of this Agreement in their-entirety, Recipient shall be responsible for repaying City the full amount funded by the City set forth in Section 1 of this Agreement.
17. Recipient shall not engage in employment practices which have the effect of discriminating against any employee or applicant for employment, and, will take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to their race, color, religion, national origin, sex, age, handicap, or political belief or affiliation.
18. For purposes of this Agreement, all official communications and notices among the parties shall be deemed sufficient if in writing and mailed, registered or certified mail, postage prepaid, to the addresses set forth below:

City: Sheryl Sculley, City Manager
P.O. Box 839966
San Antonio, Texas 78283-3966

With copy to: Office of Cultural Affairs
P.O. Box 839966
San Antonio, Texas 78283-3966

Recipient: Graciela Sanchez, Director
Esperanza Center
922 San Pedro
San Antonio, Texas 78212

Notices of changes of address by either party must be made in writing delivered to the other party's last known address within five (5) business days of the change.

19. If any provision of this agreement is for any reason held to be unconstitutional, void, or invalid, the remaining provisions or sections contained herein shall remain in effect and the section so held shall be reformed to reflect the intent of the parties.
20. The signer of this Agreement for Recipient represents, warrants, assures and guarantees he or she has full legal authority to execute this Agreement on behalf of Recipient and to bind Recipient to all of the terms, conditions, provisions and obligations herein contained.

IN WITNESS OF WHICH this Agreement has been executed on this 27 day of ^{February} January, 2007.

CITY OF SAN ANTONIO

ESPERANZA CENTER

By: 
for Sheryl Sculley
City Manager

By: 
Graciela Sanchez
Director

APPROVED AS TO FORM: 
City Attorney



esperanza

c e n t e r

Lisa Biediger
City of San Antonio
San Antonio, TX

RECEIVED
CITY OF SAN ANTONIO
CITY CLERK
2007 APR 11 PM 3:09

April 11, 2007

Dear Lisa,

On February 15, 2007, the Esperanza closed on the building at 820 S. Colorado. Enclosed please find copies of:

- 1) Settlement Statement;
- 2) Special warranty deed with vendor's lien;
- 3) Corporate resolution to borrow;
- 4) Promissory note;
- 5) Deed of Trust;
- 6) Arbitration agreement;
- 7) Agreement to provide insurance;
- 8) Disbursement request and authorization; and
- 9) Insurance policy from Travelers Lloyds Insurance Co.

We understand that this information demonstrates that all funding is in place and we are therefore able to receive the sum of \$25,000 for the property at 820 S. Colorado.

If you should have any further questions or concerns regarding this matter, please contact me at the Esperanza either by phone at 228-0201 or by email at graciela@esperanzacenter.org.

Thank you for all your help.

Sincerely,

Graciela I. Sánchez, Director
Esperanza Peace and Justice Center

CHANGE ENDORSEMENT

INSURING COMPANY:

THE TRAVELERS LLOYDS INSURANCE COMPANY

Named Insured: ESPERANZA PEACE & JUSTICE CENTER

Policy Number: IL-PACP-387N1532-TLC-06

Policy Effective Date: 08-05-06

Policy Expiration Date: 08-05-07

Issue Date: 03-08-07

ADDITIONAL Premium \$ 137.00

2007 APR 11 PM 3:09
RECEIVED
CITY OF HOUSTON

Effective from 02-14-07 at the time of day the policy becomes effective.

THIS INSURANCE IS AMENDED AS FOLLOWS:

UNDER THE COMMON POLICY DECLARATION, ITEM 3. LOCATIONS, ADD THE FOLLOWING. PROPERTY COVERAGE LIMITS OF INSURANCE ARE ADDED AS ATTACHED.

PREM NO.	BLDG NO.	OCCUPANCY	ADDRESS
004	001	CULTURAL EXCHNG	820 S. COLORADO SAN ANTONIO, TX 78207

ON THE BUSINESSOWNERS COVERAGE PART, ACCOUNTS RECEIVABLE COVERAGE IS ADDED AS FOLLOWS:

PREM. LOC. NO.	BLDG. NO.	LIMIT OF INSURANCE
004	001	\$25000 ON PREMISES/\$25,000 OFF PREMISES

UNDER THE BUSINESSOWNERS COVERAGE PART DECLARATIONS, BUSINESSOWNERS PROPERTY COVERAGE IS ADDED AS FOLLOWS:

PREM NO.	BLDG NO.	DESCRIPTION	AMOUNT	UNIT
004	001	BUILDINGS	\$ 55,000	
		LIMIT OF INSURANCE:		
		LOSS ADJUSTMENT BASIS:	REPLACEMENT COST	
		INFLATION GUARD:	0.0	%

UNDER THE BUSINESSOWNERS COVERAGE PART DECLARATIONS, BUSINESSOWNERS PROPERTY COVERAGE IS ADDED AS FOLLOWS:

PREM BLDG

NAME AND ADDRESS OF AGENT OR BROKER

COLEMAN CO INS SVCS F5873
PO BOX 160517
SAN ANTONIO TX 78280-2517

Countersigned by

Authorized Representative

DATE: _____



CHANGE ENDORSEMENT

Policy Number: IL-PACP-387N1532-TLC-06
Policy Effective Date: 08-05-06
Policy Expiration Date: 08-05-07
Issue Date: 03-08-07

2007 APR 11 PM 3:09

OFFICE OF THE ATTORNEY GENERAL
STATE OF CONNECTICUT

NO.	NO.		
004	001	BUSINESS PERSONAL PROPERTY :	
		LIMIT OF INSURANCE :	\$ 1
		LOSS ADJUSTMENT BASIS :	REPLACEMENT COST
		INFLATION GUARD :	0.0 %

ON THE BUSINESSOWNERS COVERAGE PART DECLARATIONS, VALUABLE PAPERS AND RECORDS COVERAGE IS ADDED AS FOLLOWS:

PREM.	BLDG.		
LOC. NO.	NO.	LIMIT OF INSURANCE :	
004	001	\$25,000	ON PREMISES/\$25,000 OFF PREMISES

RATES AND/OR PREMIUMS HAVE BEEN CHANGED TO REFLECT A CHANGE IN EXPOSURE AND/OR RATING PROCEDURE .



POLICY NO.: IL-PACP-387N1532-TLC-06

ISSUE DATE: 03-08-07

INSURING COMPANY:

THE TRAVELERS LLOYDS INSURANCE COMPANY

For the location(s) listed on the Change Endorsement BUSINESSOWNERS PROPERTY COVERAGE is added as follows:

PROPERTY COVERAGE LIMITS OF INSURANCE: Insurance applies only to an item for which a "limit" or the word "INCLUDED" is shown.

	PREM. NO.	BLDG. NO.	PREM. NO.	BLDG. NO.
	04	01		
BUILDINGS:				
Limit of Insurance:	\$	55,000	\$	
Loss Adjustment Basis:				
Inflation Guard:				
Exterior Building Glass Deductible:	\$	250	\$	
BUSINESS PERSONAL PROPERTY:				
Limit of Insurance:	\$	1	\$	
Loss Adjustment Basis:				
Inflation Guard:				
Exterior Building Glass:	\$	INCL	\$	
Exterior Building Glass Deductible:	\$	INCL	\$	

2007 APR 11 PM 3:09
 OFFICE OF THE ATTORNEY GENERAL
 STATE OF ILLINOIS

	PREM. NO.	BLDG. NO.	PREM. NO.	BLDG. NO.
BUILDINGS:				
Limit of Insurance:	\$		\$	
Loss Adjustment Basis:				
Inflation Guard:				
Exterior Building Glass Deductible:	\$		\$	
BUSINESS PERSONAL PROPERTY:				
Limit of Insurance:	\$		\$	
Loss Adjustment Basis:				
Inflation Guard:				
Exterior Building Glass:	\$		\$	
Exterior Building Glass Deductible:	\$		\$	

	PREM. NO.	BLDG. NO.	PREM. NO.	BLDG. NO.
BUILDINGS:				
Limit of Insurance:	\$		\$	
Loss Adjustment Basis:				
Inflation Guard:				
Exterior Building Glass Deductible:	\$		\$	
BUSINESS PERSONAL PROPERTY:				
Limit of Insurance:	\$		\$	
Loss Adjustment Basis:				
Inflation Guard:				
Exterior Building Glass:	\$		\$	
Exterior Building Glass Deductible:	\$		\$	



POLICY NUMBER: IL-PACP-387N1532-TLC-06

EFFECTIVE DATE: 08-05-06

ISSUE DATE: 03-08-07

LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS
BY LINE OF BUSINESS.

IL TO 07 09 87 CHANGE ENDORSEMENT

2007 APR 11 PM 3:09
PROPERTY & CASUALTY
INSURANCE
DIVISION



A. Settlement Statement

B. Type of Loan

1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> Conv. Unins.	6. File Number 0611052	7. Loan Number 3533155-9002	8. Mortgage Insurance Case No.
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.	<input checked="" type="checkbox"/> Other			

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name and Address of Borrower Esperanza Peace & Justice Center	E. Name and Address of Seller Estate of Elida R. Reyes by Esmeralda R. Rocha, Ind. Ex.	F. Name and Address of Lender THE FROST NATIONAL BANK RAND BUILDING - 2ND FLOOR (RB-2) 100 WEST HOUSTON STREET SAN ANTONIO, TX 78205
---	--	--

G. Property Location LOT 9, BLOCK 2, NCB 2440, SAN ANTONIO, BEXAR COUNTY, TEXAS 820 S. COLORADO SAN ANTONIO, TX 782	H. Settlement Agent and Agent Identification Number SERVICE TITLE COMPANY Phone: (210) 344-8820 Tax I.D. No: Place of Settlement 7334 BLANCO RD. SUITE 100 SAN ANTONIO, TX 78216	I. Settlement Date 02/14/2007
---	--	----------------------------------

J. Summary of Borrower's Transaction

K. Summary of Seller's Transaction

100 GROSS AMOUNT DUE FROM BORROWER:	400 GROSS AMOUNT DUE SELLER:
101 Contract Sale Price 55,000.00	401 Contract Sale Price 55,000.00
102 Personal property	402 Personal property
103 Settlement charges to borrow (line 1400) 627.10	403
104	404
105	405

Adjustments for items paid by seller in advance	Adjustments for items paid by seller in advance
106 City/town taxes to	406 City/town taxes to
107 County taxes to	407 County taxes to
108 Assessments to	408 Assessments to
109	409
110	410
111	411
112	412
120 GROSS AMOUNT DUE FROM BORROWER: 55,627.10	420 GROSS AMOUNT DUE TO SELLER: 55,000.00

200 AMOUNTS PAID BY OR IN BEHALF OF BORROWER:	500 REDUCTIONS IN AMOUNT DUE TO SELLER:
201 Deposit or earnest money 500.00	501 Excess Deposit (see instructions)
202 Principal amount of new loan(s) THE FROST NATL 44,000.00	502 Settlement charges to seller (line 1400) 844.82
203 Existing loan(s) taken subject to	503 Existing loan(s) taken subject to
204	504 Payoff of first mortgage loan to
205	505 Payoff of second mortgage loan to
206	506
207	507
208	508
209	509 2ND 1/2 OF 2006 REAL PROPERTY TAXES TO SYLVIA R0 564.89

Adjustments for items unpaid by seller	Adjustments for items unpaid by seller
210 City/town taxes to	510 City/town taxes to
211 REAL PROPERTY TAXES 01/01/07 to 02/14/07 139.29	511 REAL PROPERTY TAXES 01/01/07 to 02/14/07 139.29
212 Assessments to	512 Assessments to
213 School taxes to	513 School taxes to
214	514
215	515
216	516
217	517
218	518
219	519
220 TOTAL PAID/BY FOR BORROWER: 44,639.29	520 TOTAL REDUCTION AMOUNT DUE SELLER 1,549.00
300 CASH AT SETTLEMENT FROM/TO BORROWER:	600 CASH AT SETTLEMENT TO/FROM SELLER
301 Gross amount due from borrower (line 120) 55,627.10	601 Gross amount due to seller (line 420) 55,000.00
302 Less amounts paid by/for borrower (line 220) 44,639.29	602 Less total reducts in amt due seller (line 520) 1,549.00
303 Cash <input checked="" type="checkbox"/> From <input type="checkbox"/> To Borrower 10,987.81	603 Cash <input type="checkbox"/> From <input checked="" type="checkbox"/> To Seller 53,451.00

2007 APR 11 PM 3:09

OFFICE OF REAL ESTATE
SAN ANTONIO, TEXAS

L. Settlement Charges		Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
700	TOTAL SALES/BROKER'S COMMISSION		
701	\$ to		
702	\$ to		
703	Commission paid at Settlement		
704			
800	ITEMS PAYABLE IN CONNECTION WITH LOAN		
801	Loan Origination fee		
802	Loan Discount		
803	Appraisal Fee to		
804	Credit Report to		
805	Lender's inspection fee to		
806	Mortgage Insurance application fee		
807	Assumption Fee		
808	PROCESSING FEE TO THE FROST NATIONAL BANK	150.00	
809	FLOOD CERTIFICATION FEE TO THE FROST NATL BANK	12.00	
810			
811			
900	ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE		
901	Interest		
902	Mortgage insurance premium		
903	Hazard insurance premium		
904			
905			
1000	RESERVES DEPOSITED WITH LENDER		
1001	Hazard insurance mo. @ per mo		
1002	Mortgage insurance mo. @ per mo		
1003	City property taxes mo. @ per mo		
1004	County Property taxes mo. @ per mo		
1005	Annual assessments (Maint) mo. @ per mo		
1006	School taxes mo. @ per mo		
1007			
1008			
1100	TITLE CHARGES		
1101	Settlement or Closing fee to		
1102	Abstract or title search to		
1103	Title examination to		
1104	Title insurance binder to		
1105	Document preparation to		
1106	Notary fees to		
1107	Attorney's fees to WEST & WEST ATTORNEYS, P.C.		50.00
1108	Title insurance		
1109	Lender's coverage \$44,000.00	100.00	
1110	Owner's coverage \$55,000.00		536.00
1111	ENDORSEMENTS: TAX \$25.00, T-19 \$46.10	71.10	
1112	State of Texas Policy Guaranty Fee	1.00	1.00
1113	Escrow fee to Service Title Company	225.00	225.00
1200	GOVERNMENT RECORDING AND TRANSFER CHARGES		
1201	Recording fees Deed \$20.00; Mtg \$48.00;	68.00	
1202	City/county tax/stamps		
1203	State tax/stamps		
1204			
1205			
1300	ADDITIONAL SETTLEMENT CHARGES		
1301	Survey to		
1302	Pest inspection to		
1303	Home Inspection fee to		
1304	Overnight delivery fee to		
1305	Tax Certificates SERVICE TITLE COMPANY		32.82
1400	TOTAL SETTLEMENT CHARGES	627.10	844.82

60:3 PM 11 11 2007
 15811 11 11 2007
 15811 11 11 2007

SOLICITATION

You are required by law to provide SERVICE TITLE COMPANY with your correct taxpayer identification number. If you do not provide SERVICE TITLE COMPANY with your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law.

CERTIFICATION

Under penalties of perjury, I certify that the number shown on this statement is my correct taxpayer identification number.



Estate of Elida R. Reyes
by Esmeralda R. Rocha, Ind. Ex.
SSN/EIN: _____

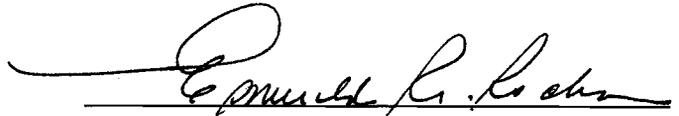
SUBSTITUTE FORM 1099 SELLER STATEMENT

The information contained in Blocks E, G, H and I and on line 401 (or, if line 401 is asterisked, lines 403 and 404) is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

SELLER INSTRUCTIONS

If this real estate was your principal residence, file Form 2119, Sale or Exchange of Principal Residence, for any gain, with your income tax return; for other transactions, complete the applicable parts of Form 4797, Form 6252 and/or Schedule D (Form 1040).

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.



Estate of Elida R. Reyes
by Esmeralda R. Rocha, Ind. Ex.

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.


Settlement Agent

February 14th, 2007
Date

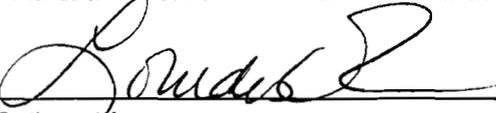
WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

RECORDED
INDEXED
2007 APR 11 PM 3:09

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.


Esperanza Peace & Justice Center

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.


Settlement Agent

February 14th, 2007

Date

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

RECEIVED
CITY OF SALT LAKE
CITY CLERK

2007 APR 11 PM 3:09

RECEIVED
CITY OF SAN ANTONIO
CITY CLERK

GF# 0611052

2007 APR 11 PM 3:09

SPECIAL WARRANTY DEED WITH VENDOR'S LIEN

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF BEXAR §

THAT, **ESMERALDA R. ROCHA, Independent Executrix of the Estate of ELIDA R. REYES, Deceased**, hereinafter called Grantor (whether one or more), for and in consideration of the sum of TEN AND NO/100 DOLLARS and other good and valuable consideration to Grantor in hand paid by **ESPERANZA PEACE AND JUSTICE CENTER, a Non-Profit Corporation**, hereinafter called Grantee (whether one or more), the receipt of which is hereby acknowledged, and for the further consideration of the sum of **\$44,000.00**, to Grantor in hand paid by **THE FROST NATIONAL BANK**, which amount is advanced at the special instance and request of the Grantee herein, and as evidence thereof, the Grantee has executed and delivered one certain promissory note of even date herewith for the sum of **FORTY FOUR THOUSAND AND NO/100 DOLLARS (\$44,000.00)**, payable to the order of **THE FROST NATIONAL BANK**, whose mailing address is **Southwest Military Financial Center, P.O. Box 1600, San Antonio, Texas 78296**, bearing interest and payable as in said note provided; said note containing the usual provisions for attorney's fees and acceleration of maturity in case of default, and being secured by Vendor's Lien herein and hereby expressly retained in favor of the Grantor, on the property hereinafter described, and as further security for the payment of said note, the **SUPERIOR TITLE and VENDOR'S LIEN** to said property are hereby transferred and conveyed to **THE FROST NATIONAL BANK** without recourse against Grantor, said note being also secured by Deed of Trust of even date herewith to **JIMMY R. LOCKE**, Trustee; has **GRANTED, SOLD and CONVEYED**, and by these presents does **GRANT, SELL and CONVEY** unto Grantee herein, whose mailing address is as hereinafter set forth, the following described real estate, together with all improvements thereon, situated in Bexar County, Texas, being more particularly described as follows, to-wit:

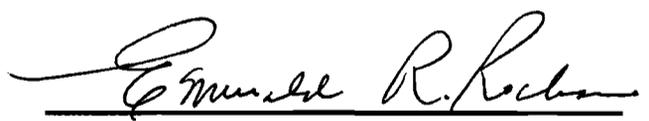
Lot 9, Block 2, New City Block 2440, situated in the City of San Antonio, Bexar County, Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereunto in anywise belonging, unto the said Grantee, Grantee's successors or assigns forever. And Grantor does hereby bind Grantor, Grantor's heirs, executors, administrators, successors, and assigns TO WARRANT and FOREVER DEFEND all and singular the said premises unto the said Grantee herein, Grantee's assigns and successors, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

Grantee assumes taxes for the current year on the property hereby conveyed.

This conveyance and the warranties of title given herein are made subject to any and all restrictions, easements, setback lines, covenants, conditions and reservations, of record affecting the property herein conveyed.

EXECUTED ON THE FOLLOWING DATE: February 13, 2007.


ESMERALDA R. ROCHA, Independent
Executrix of the Estate of ELIDA R. REYES,
Deceased

(ACKNOWLEDGEMENT)

STATE OF TEXAS §
COUNTY OF BEXAR §

This instrument was ACKNOWLEDGED before me, on this the 15 day of February, 2007, by ESMERALDA R. ROCHA, Independent Executrix of the Estate of ELIDA R. REYES, Deceased.



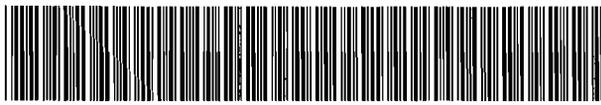


Notary Public, State of Texas

GRANTEE'S MAILING ADDRESS:
AFTER RECORDING RETURN TO
GRANTEE AT:

PREPARED IN THE OFFICE OF:
WEST & WEST ATTORNEYS, P.C.
2929 Mossrock, Suite 204
San Antonio, Texas 78230

2007 APR 11 PM 3:09
WEST & WEST ATTORNEYS, P.C.
2929 MOSSROCK, SUITE 204
SAN ANTONIO, TEXAS 78230



CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL

Principal	Loan Date	Maturity	Loan No	Call / Coll	Amount	Officer	Initials
\$44,000.00	02-13-2007	02-13-2022	9002		3533155	298	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Corporation: ^{S JP} EPERANZA PEACE AND JUSTICE CENTER (TIN: 74-2419582)
922 SAN PEDRO
SAN ANTONIO, TX 78212

Lender: THE FROST NATIONAL BANK
SOUTHWEST MILITARY FINANCIAL CENTER
P.O. BOX 1600
SAN ANTONIO, TX 78296

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE CORPORATION'S EXISTENCE. The complete and correct name of the Corporation is EPERANZA PEACE AND JUSTICE CENTER ("Corporation"). The Corporation is a non-profit corporation which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Texas. The Corporation is duly authorized to transact business in all other states in which the Corporation is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Corporation is doing business. Specifically, the Corporation is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Corporation has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Corporation maintains an office at 922 SAN PEDRO, SAN ANTONIO, TX 78212. Unless the Corporation has designated otherwise in writing, the principal office is the office at which the Corporation keeps its books and records. The Corporation will notify Lender prior to any change in the location of The Corporation's state of organization or any change in The Corporation's name. The Corporation shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Corporation and The Corporation's business activities.

RESOLUTIONS ADOPTED. At a meeting of the Directors of the Corporation, or if the Corporation is a close corporation having no Board of Directors then at a meeting of the Corporation's shareholders, duly called and held on February 13, 2007, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICER. The following named person is an officer of EPERANZA PEACE AND JUSTICE CENTER:

<u>NAMES</u>	<u>TITLES</u>	<u>AUTHORIZED</u>	<u>ACTUAL SIGNATURES</u>
GRACIELA I. SANCHEZ ^{JP}	Executive Director	Y	X

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Corporation. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Corporation:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Corporation and Lender, such sum or sums of money as in his or her judgment should be borrowed; however, not exceeding at any one time the amount of Forty-four Thousand & 00/100 Dollars (\$44,000.00), in addition to such sum or sums of money as may be currently borrowed by the Corporation from Lender.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Corporation's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Corporation's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Corporation or in which the Corporation now or hereafter may have an interest, including without limitation all of the Corporation's real property and all of the Corporation's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Corporation to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Corporation or in which the Corporation may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Corporation's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as the officer may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

**CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL
(Continued)**

Loan No: 9002

Page 2

ASSUMED BUSINESS NAMES. The Corporation has filed or recorded all documents or filings required by law relating to all assumed business names used by the Corporation. Excluding the name of the Corporation, the following is a complete list of all assumed business names under which the Corporation does business: **None.**

NOTICES TO LENDER. The Corporation will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Corporation's name; (B) change in the Corporation's assumed business name(s); (C) change in the management of the Corporation; (D) change in the authorized signer(s); (E) change in the Corporation's principal office address; (F) change in the Corporation's state of organization; (G) conversion of the Corporation to a new or different type of business entity; or (H) change in any other aspect of the Corporation that directly or indirectly relates to any agreements between the Corporation and Lender. No change in the Corporation's name or state of organization will take effect until after Lender has received notice.

FACSIMILE DOCUMENTS AND SIGNATURES. For purposes of negotiating and finalizing this document, if this document is transmitted by facsimile machine ("fax"), it shall be treated for all purposes as an original document. Additionally, the signature of any party on this document transmitted by way of a fax machine shall be considered for all purposes as an original signature. Any such faxed document shall be considered to have the same binding legal effect as an original document. At the request of any party, any faxed document shall be re-executed by each signatory party in an original form.

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officer named above is duly elected, appointed, or employed by or for the Corporation, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Corporation, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

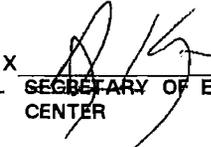
NO CORPORATE SEAL. The Corporation has no corporate seal, and therefore, no seal is affixed to this Resolution.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to Lender and receipt acknowledged by Lender in writing at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and I personally and on behalf of the Corporation certify that all statements and representations made in this Resolution are true and correct. This Corporate Resolution to Borrow / Grant Collateral is dated February 13, 2007.

CERTIFIED TO AND ATTESTED BY:

Acting Chair ^x  _____
SECRETARY OF ESPERANZA PEACE AND JUSTICE
CENTER

NOTE: If the officer signing this Resolution is designated by the foregoing document as one of the officers authorized to act on the Corporation's behalf, it is advisable to have this Resolution signed by at least one non-authorized officer of the Corporation.

2007 APR 11 PM 3:10

SECRETARY OF ESPERANZA PEACE AND JUSTICE CENTER



RECEIVED
FROST NATIONAL BANK
SAN ANTONIO
TX 78296

2007 APR 11 PM 3:10

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$44,000.00	02-13-2007	02-13-2022	9002		3533155	298	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: ⁵ *EP*
 EPERANZA PEACE AND JUSTICE CENTER (TIN:
 74-2419582)
 922 SAN PEDRO
 SAN ANTONIO, TX 78212

Lender: THE FROST NATIONAL BANK
 SOUTHWEST MILITARY FINANCIAL CENTER
 P.O. BOX 1600
 SAN ANTONIO, TX 78296

Principal Amount: \$44,000.00

Date of Note: February 13, 2007

PROMISE TO PAY. EPERANZA PEACE AND JUSTICE CENTER ("Borrower") promises to pay to THE FROST NATIONAL BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of Forty-four Thousand & 00/100 Dollars (\$44,000.00), together with interest on the unpaid principal balance from February 13, 2007, until maturity.

PAYMENT. Subject to any payment changes resulting from changes in the Index, Borrower will pay this loan in accordance with the following payment schedule: 84 monthly consecutive principal and interest payments in the initial amount of \$429.83 each, beginning March 13, 2007, with interest calculated on the unpaid principal balances at an interest rate of 8.250% per annum; 95 monthly consecutive principal and interest payments in the initial amount of \$445.58 each, beginning March 13, 2014, with interest calculated on the unpaid principal balances at an interest rate based on the Lender's Prime Rate as established from time to time (currently 8.250%), plus a margin of 1.000 percentage points, resulting in an initial interest rate of 9.250%; and one principal and interest payment of \$444.91 on February 13, 2022, with interest calculated on the unpaid principal balances at an interest rate based on the Lender's Prime Rate as established from time to time (currently 8.250%), plus a margin of 1.000 percentage points, resulting in an initial interest rate of 9.250%. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled and that the Index does not change; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to any unpaid collection costs; then to any late charges; then to any accrued unpaid interest; and then to principal. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding, unless such calculation would result in a usurious rate, in which case interest shall be calculated on a per diem basis of a year of 365 or 366 days, as the case may be. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an index which is Lender's Prime Rate (the "Index"). This is the rate Lender charges, or would charge, on 90-day unsecured loans to the most creditworthy corporate customers. This rate may or may not be the lowest rate available from Lender at any given time. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day beginning seven (7) years from date hereof. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 8.250% per annum. The interest rate or rates to be applied to the unpaid principal balance during this Note will be the rate or rates set forth herein in the "Payment" section. Notwithstanding any other provision of this Note, after the first payment stream, the interest rate for each subsequent payment stream will be effective as of the last payment date of the just-ending payment stream. NOTICE: Under no circumstances will the interest rate on this Note be more than the maximum rate allowed by applicable law. For purposes of this Note, the "maximum rate allowed by applicable law" means the greater of (A) the maximum rate of interest permitted under federal or other law applicable to the indebtedness evidenced by this Note, or (B) the "Weekly Ceiling" as referred to in Sections 303.002 and 303.003 of the Texas Finance Code. Whenever increases occur in the interest rate, Lender, at its option, may do one or more of the following: (A) increase Borrower's payments to ensure Borrower's loan will pay off by its original final maturity date, (B) increase Borrower's payments to cover accruing interest, (C) increase the number of Borrower's payments, and (D) continue Borrower's payments at the same amount and increase Borrower's final payment.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Prepayment in full shall consist of payment of the remaining unpaid principal balance together with all accrued and unpaid interest and all other amounts, costs and expenses for which Borrower is responsible under this Note or any other agreement with Lender pertaining to this loan, and in no event will Borrower ever be required to pay any unearned interest. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: THE FROST NATIONAL BANK, P.O. BOX 1600 SAN ANTONIO, TX 78296.

LATE CHARGE. If a payment is 11 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment or \$250.00, whichever is less.

POST MATURITY RATE. The Post Maturity Rate on this Note is the lesser of (A) the maximum rate allowed by law or (B) 18.000% per annum. Borrower will pay interest on all sums due after final maturity, whether by acceleration or otherwise, at that rate.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**PROMISSORY NOTE
(Continued)**

Loan No: 9002

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Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Change in Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

LENDER'S RIGHTS. Upon default, Lender may declare the entire indebtedness, including the unpaid principal balance under this Note, all accrued unpaid interest, and all other amounts, costs and expenses for which Borrower is responsible under this Note or any other agreement with Lender pertaining to this loan, immediately due, without notice, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire an attorney to help collect this Note if Borrower does not pay, and Borrower will pay Lender's reasonable attorneys' fees. Borrower also will pay Lender all other amounts Lender actually incurs as court costs, lawful fees for filing, recording, releasing to any public office any instrument securing this Note; the reasonable cost actually expended for repossessing, storing, preparing for sale, and selling any security; and fees for noting a lien on or transferring a certificate of title to any motor vehicle offered as security for this Note, or premiums or identifiable charges received in connection with the sale of authorized insurance.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Texas without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of Texas.

CHOICE OF VENUE. If there is a lawsuit, and if the transaction evidenced by this Note occurred in BEXAR County, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of BEXAR County, State of Texas.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

DISHONORED CHECK CHARGE. In the event a check offered in full or partial payment on this loan is returned unpaid, Lender may charge a fee for the purpose of defraying the expense incident to handling such returned check, and Borrower agrees to pay such fee. The fee shall not exceed the maximum amount permitted under applicable law.

FINANCIAL INFORMATION. Borrower agrees to promptly furnish and cause any other person who signs, guarantees or endorses this Note or any other document executed in connection with this Note, to furnish such financial information and statements, including financial statements in a format acceptable to Lender, lists of assets and liabilities, agings of receivables and payables, inventory schedules, budgets, forecasts, tax returns, and other reports with respect to Borrower's or such person's financial condition and business operations as Lender may request from time to time. This provision shall not alter the obligation to deliver to Lender any other financial statements or reports pursuant to the terms of any other loan documents executed in connection with this Note.

INSURANCE. Borrower agrees to maintain insurance of such types, including public liability insurance, and in such amounts as are satisfactory to Lender and to furnish Lender upon request with a detailed list, in form and substance satisfactory to Lender, of all insurance then in effect.

FACSIMILE DOCUMENTS AND SIGNATURES. For purposes of negotiating and finalizing this document, if this document is transmitted by facsimile machine ("fax"), it shall be treated for all purposes as an original document. Additionally, the signature of any party on this document transmitted by way of a fax machine shall be considered for all purposes as an original signature. Any such faxed document shall be considered to have the same binding legal effect as an original document. Upon request of Lender, any faxed document shall be re-executed by each signatory party in an original form.

WAIVER OF RIGHT TO TRIAL BY JURY. THE UNDERSIGNED HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT TO ENFORCE THIS AGREEMENT, TO COLLECT DAMAGES FOR THE BREACH OF THIS AGREEMENT, OR WHICH IN ANY OTHER WAY ARISE OUT OF, ARE CONNECTED TO OR ARE RELATED TO THIS AGREEMENT OR THE SUBJECT MATTER OF THIS AGREEMENT. ANY SUCH ACTION SHALL BE TRIED BY THE JUDGE WITHOUT A JURY.

PAYMENT ADJUSTMENT LANGUAGE. The first 84 monthly payments of principal and interest are calculated on the basis of an amortization of the principal balance hereof over a period of 180 months from the date hereof at a fixed interest rate of 8.250% per annum. The remaining 96 monthly payments of principal and interest are calculated on the basis of an amortization of the principal balance on February 13, 2014 (assuming all prior 84 payments were made as scheduled), over a period of 96 months, at an assumed variable interest rate of 9.250% (the Index rate as of the date hereof of 8.250% plus one hundred [1.00%] basis points over said Index); however, it is intended by Lender and Borrower that the monthly payments hereon shall always be sufficient to pay all accrued interest and some principal on the Note. Because of possible Index changes from time to time which may cause an increase or decrease in the interest rate on this Note, and to maintain the present amortization schedule on the Note, Lender is given the option, in its sole discretion, and notwithstanding the last sentence of the paragraph entitled "VARIABLE INTEREST RATE" set forth above, to adjust the monthly payment amount every year during the term hereof, beginning

PROMISSORY NOTE
(Continued)

seven (7) years from the date hereof. The payment amount may be adjusted by Lender to an amount satisfactory, in Lender's sole discretion, to pay (i) all accrued, unpaid interest hereon; (ii) the principal reduction required by Lender during the one (1) year period following a payment adjustment and (iii) all interest anticipated to accrue on the Note during the one (1) year period following a payment adjustment. Lender may choose not to change the payments on this Note in any year throughout the term hereof.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Borrower does not agree or intend to pay, and Lender does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause Lender to charge or collect more for this loan than the maximum Lender would be permitted to charge or collect by federal law or the law of the State of Texas (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to Borrower. The right to accelerate maturity of sums due under this Note does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Lender does not intend to charge or collect any unearned interest in the event of acceleration. All sums paid or agreed to be paid to Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of the loan evidenced by this Note until payment in full so that the rate or amount of interest on account of the loan evidenced hereby does not exceed the applicable usury ceiling. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, notice of dishonor, notice of intent to accelerate the maturity of this Note, and notice of acceleration of the maturity of this Note. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

EPERANZA PEACE AND JUSTICE CENTER

By: 
GRACIELA I. SANCHEZ, Executive Director of
EPERANZA PEACE AND JUSTICE CENTER

2007 APR 11 PM 3:10
EPERANZA PEACE AND JUSTICE CENTER

RECORDATION REQUESTED BY:
THE FROST NATIONAL BANK
SOUTHWEST MILITARY FINANCIAL CENTER
P.O. BOX 1600
SAN ANTONIO, TX 78296

RECORDED
BY THE SAN ANTONIO
CITY CLERK

WHEN RECORDED MAIL TO:
The Frost National Bank
Attention: Commercial Loan Department RB-2
P.O. Box 1600
San Antonio, TX 78296

2007 APR 11 PM 3:10

SEND TAX NOTICES TO:
EPERANZA PEACE AND JUSTICE CENTER
922 SAN PEDRO
SAN ANTONIO, TX 78212

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY



DEED OF TRUST ⁵ *of*

THIS DEED OF TRUST is dated February 13, 2007, among EPERANZA PEACE AND JUSTICE CENTER, whose address is 922 SAN PEDRO, SAN ANTONIO, TX 78212 ("Grantor"); THE FROST NATIONAL BANK, whose address is SOUTHWEST MILITARY FINANCIAL CENTER, P.O. BOX 1600, SAN ANTONIO, TX 78296 (referred to below sometimes as "Beneficiary"); and JIMMY R. LOCKE, whose address is P. O. BOX 1600, SAN ANTONIO, TX 78296 (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, Grantor conveys to Trustee in trust, with power of sale, for the benefit of Lender as Beneficiary, the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; and all easements, rights of way, and appurtenances; all water and water rights; and all other rights, royalties, and profits relating to the real property, including without limitation such rights as Grantor may have in all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in BEXAR County, State of Texas:

LOT 9, BLOCK 2, NEW CITY BLOCK 2440, SITUATED IN THE CITY OF SAN ANTONIO, BEXAR COUNTY, TEXAS.

The Real Property or its address is commonly known as 820 S. COLORADO, SAN ANTONIO, TX 78207.

CROSS-COLLATERALIZATION. In addition to the Note, this Deed of Trust secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise. However, this Deed of Trust shall not secure, and the "Indebtedness" shall not include, any obligations arising under Subchapters E and F of Chapter 342 of the Texas Finance Code, as amended.

Grantor hereby absolutely assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Grantor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Grantor's obligations under the Note, this Deed of Trust, and the Related Documents.

VENDOR'S LIEN. The debt evidenced by the Note is in part or total payment of the purchase price of the Property; the debt is secured by both this Deed of Trust and by a vendor's lien on the Property, which is expressly retained in the deed of the Property to Grantor. This Deed of Trust does not waive the vendor's lien, and the two liens and the rights created by this instrument shall be cumulative. Lender may elect to foreclose under either of the liens without waiving the other or may foreclose under both. The deed wherein the vendor's lien is retained is incorporated into this Deed of Trust.

**DEED OF TRUST
(Continued)**

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Deed of Trust, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent. This restriction will not apply to rights and easements (such as gas and oil) not owned by Grantor and of which Grantor has informed Lender in writing prior to Grantor's signing of this Deed of Trust.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of such Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Texas law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing,

**DEED OF TRUST
(Continued)**

secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and Lender's reasonable attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust.

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a fair value basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender, with losses made payable to Lender. GRANTOR MAY FURNISH THE REQUIRED INSURANCE WHETHER THROUGH EXISTING POLICIES OWNED OR CONTROLLED BY GRANTOR OR THROUGH EQUIVALENT INSURANCE FROM ANY INSURANCE COMPANY AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF TEXAS. If Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may, but shall not be required to, do so at Grantor's expense, and the cost of the insurance will be added to the Indebtedness. If any such insurance is procured by Lender, Grantor will be so notified, and Grantor will have the option of furnishing equivalent insurance through any insurer authorized to transact business in Texas. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures paid by Lender for such purposes will then bear interest at the Note rate from the date paid by Lender to the date of repayment by Grantor. To the extent permitted by applicable law, all such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of

**DEED OF TRUST
(Continued)**

Trustee or Lender under this Deed of Trust, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

CONDEMNATION, JUDGMENTS AND AWARDS. The following provisions relating to condemnation proceedings, judgments, decrees and awards for injury to the Property are a part of this Deed of Trust:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. To the extent permitted by applicable law, all judgments, decrees and awards for injury or damage to the Property, or any part of the Property, and awards pursuant to proceedings for condemnation of the Property, are hereby absolutely assigned to Lender, and if all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award, judgment or decree shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Trustee or Lender in connection with the condemnation.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Deed of Trust:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust, Lender shall execute and deliver to Grantor a release of this Deed of Trust lien and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. However, it is agreed that the payment of all the Indebtedness and performance of such obligations shall not terminate this Deed of Trust unless the liens and interests created hereby are released by Lender by a proper recordable instrument. Any filing fees required by law shall be paid by Grantor, if permitted by applicable law.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Note or in any of the Related Documents.

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Default on Other Payments. Failure of Grantor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Default in Favor of Third Parties. Should Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's ability to repay the Indebtedness or perform their respective obligations under this Deed of Trust or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Deed of Trust or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Deed of Trust, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Accelerate Indebtedness. Lender may declare the unpaid principal balance of the Indebtedness due and payable. In no event will Grantor be required to pay any unearned interest.

Foreclosure. If Lender invokes the power of sale, Trustee, at the request of Lender, may sell all or any portion of the Property at public auction to the highest bidder for cash at the location within the courthouse designated by the County Commissioners Court, or if no such area has been designated, at the area designated in the notice of sale within the courthouse, between the hours of 10:00 A.M. and 4:00 P.M. on the first Tuesday of any month, after the Trustee or its agent has given notice of the time and place of sale and of the property to be sold as required by the Texas Property Code, as then amended.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. As additional security for the payment of the Indebtedness, Grantor hereby absolutely assigns to Lender all Rents as defined in the Definitions section of this Deed of Trust. Until the occurrence of an Event of Default, Grantor is granted a license to collect and retain the Rents; however, upon receipt from Lender of a notice that an Event of Default exists under this Deed of Trust, Lender may terminate Grantor's license, and then Lender, as Grantor's agent, may collect the Rents. In addition, if the Property is vacant, Lender may rent or lease the Property. Lender shall not be liable for its failure to rent the Property, to collect any Rents, or to exercise diligence in any matter relating to the Rents; Lender shall be accountable only for Rents actually received. Lender neither has nor assumes any obligation as lessor or landlord with respect to any occupant of the Property. Rents so received shall be applied by Lender first to the remaining unpaid balance of the Indebtedness, in such order or manner as Lender shall elect, and the residue, if any, shall be paid to the person or persons legally entitled to the residue.

Trustee's Powers. Grantor hereby jointly and severally authorizes and empowers Trustee to sell all or any portion of the Property together or in lots or parcels, as Trustee may deem expedient, and to execute and deliver to the purchaser or purchasers of such Property good and sufficient deeds of conveyance of fee simple title, or of lesser estates, and bills of sale and assignments, with covenants of general warranty made on Grantor's behalf. In no event shall Trustee be required to exhibit, present or display at any such sale any of the Property to be sold at such sale. The Trustee making such sale shall receive the proceeds of the sale and shall apply the same as provided below. Payment of the purchase price to Trustee shall satisfy the liability of the purchaser at any such sale of the Property, and such person shall not be bound to look after the application of the proceeds.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property

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exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, (2) vacate the Property immediately upon the demand of Lender, or (3) if such tenants refuse to surrender possession of the Property upon demand, the purchaser shall be entitled to institute and maintain the statutory action of forcible entry and detainer and procure a writ of possession thereunder, and Grantor expressly waives all damages sustained by reason thereof.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property. Trustee may convey all or any part of the Property to the highest bidder for cash with a general warranty binding Grantor, subject to prior liens and to other exceptions to conveyance and warranty. Grantor waives all requirements of appraisal, if any. The affidavit of any person having knowledge of the facts to the effect that proper notice as required by the Texas Property Code was given shall be prima facie evidence of the fact that such notice was in fact given. Recitals and statements of fact in any notice or in any conveyance to the purchaser or purchasers of the Property in any foreclosure sale under this Deed of Trust shall be prima facie evidence of the truth of such facts, and all prerequisites and requirements necessary to the validity of any such sale shall be presumed to have been performed. Any sale under the powers granted by this Deed of Trust shall be a perpetual bar against Grantor, Grantor's heirs, successors, assigns and legal representatives.

Proceeds. Trustee shall pay the proceeds of any sale of the Property (a) first, to the expenses of foreclosure, including reasonable fees or charges paid to the Trustee, including but not limited to fees for enforcing the lien, posting for sale, selling, or releasing the Property, (b) then to Lender the full amount of the Indebtedness, (c) then to any amount required by law to be paid before payment to Grantor, and (d) the balance, if any, to Grantor.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as Lender's attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including Lender's reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law. In the event of foreclosure of this Deed of Trust, Lender shall be entitled to recover from Grantor Lender's reasonable attorneys' fees and actual disbursements that Lender necessarily incurs in pursuing such foreclosure.

POWERS AND OBLIGATIONS OF TRUSTEE. The following provisions relating to the powers and obligations of Trustee are part of this Deed of Trust:

Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Grantor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

Obligations to Notify. Trustee shall not be obligated to notify any other lienholder of the Property of the commencement of a foreclosure proceeding or of the commencement of any other action to which Lender may avail itself as a remedy, except to the extent required by applicable law or by written agreement.

Trustee. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

Substitute Trustee. Lender, at Lender's option, from time to time, and more than once, may appoint in writing a successor or substitute trustee, with or without cause, including the resignation, absence, death, inability, refusal or failure to act of the Trustee. The successor or substitute trustee may be appointed without ever requiring the resignation of the former trustee and without any formality except for the execution and acknowledgment of the appointment by the beneficiary of this Deed of Trust. The successor or substitute trustee shall then succeed to all rights, obligations, and duties of the Trustee. This appointment may be made on Lender's behalf by the President, any Vice President, Secretary, or Cashier of Lender.

NOTICES. Any notice required to be given under this Deed of Trust, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

WAIVER OF RIGHT TO TRIAL BY JURY. THE UNDERSIGNED HEREBY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT TO ENFORCE THIS AGREEMENT, TO COLLECT DAMAGES FOR THE BREACH OF THIS AGREEMENT, OR WHICH IN ANY OTHER WAY ARISE OUT OF, ARE CONNECTED TO OR ARE RELATED TO THIS AGREEMENT OR THE SUBJECT MATTER OF THIS AGREEMENT. ANY SUCH ACTION SHALL BE TRIED BY THE JUDGE WITHOUT A JURY.

FACSIMILE DOCUMENTS AND SIGNATURES. For purposes of negotiating and finalizing this document, if this document is transmitted by

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facsimile machine ("fax"), it shall be treated for all purposes as an original document. Additionally, the signature of any party on this document transmitted by way of a fax machine shall be considered for all purposes as an original signature. Any such faxed document shall be considered to have the same binding legal effect as an original document. At the request of any party, any faxed document shall be re-executed by each signatory party in an original form.

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APPRAISAL. Upon written request of Beneficiary, Grantor agrees to reimburse Beneficiary for the full cost of narrative appraisals of the Real Property described in the Deed of Trust. Each appraisal shall be ordered directly by Beneficiary from an appraiser satisfactory to Beneficiary in its sole discretion and shall be in form and substance necessary to comply with all laws and regulations affecting Beneficiary; a copy of each appraisal shall be provided to Grantor not later than the date on which Grantor's reimbursement is received by Beneficiary. Failure of Grantor to reimburse Beneficiary for any requested appraisal (not to exceed one appraisal in any twelve-month period) shall constitute an Event of Default.

ESCROW. Upon Grantor's failure to perform the covenants of this Deed of Trust concerning the delivery to Beneficiary of evidence of the payment of taxes and insurance premiums on the Real Property and upon written request by Beneficiary, Grantor covenants and agrees to make an initial deposit and monthly deposits thereafter with Beneficiary for the purpose of creating a fund for the payment of taxes and insurance premiums on the Real Property. Monthly deposits shall be made on the dates specified by Beneficiary in such request, and each payment shall be one-twelfth of the estimated annual taxes and insurance premiums on the Real Property, such estimates to be made by Beneficiary. Said deposits shall be in addition to the payments called for in the Note hereby secured, and Beneficiary shall hold said deposits in trust, without bond and without the accrual of interest thereon, to pay such taxes and premiums as they become due. Should such deposits at any time be insufficient to pay the taxes and insurance premiums when due, Grantor agrees to deposit the deficiency with Beneficiary immediately upon demand, and if an excess should accumulate in such fund, such excess shall be credited to the next maturing monthly deposit to such fund, or, at Beneficiary's option, be refunded to Grantor, Grantor's heirs or assigns. If Grantor shall make full payment of the indebtedness hereby secured, Beneficiary will, before accepting such full payment, apply to the reduction of principal any and all amounts then accumulated in such fund. Grantor covenants and agrees that any default in the making of said deposits as herein provided shall, at the option of Beneficiary, mature at once the entire amount remaining unpaid on the Note hereby secured.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Governing Law. This Deed of Trust will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Texas without regard to its conflicts of law provisions. This Deed of Trust has been accepted by Lender in the State of Texas.

Choice of Venue. If there is a lawsuit, and if the transaction evidenced by this Deed of Trust occurred in BEXAR County, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of BEXAR County, State of Texas.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Grantor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Deed of Trust and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Deed of Trust or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

Beneficiary. The word "Beneficiary" means THE FROST NATIONAL BANK, and its successors and assigns.

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(Continued)**

Borrower. The word "Borrower" means EPERANZA PEACE AND JUSTICE CENTER and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Deed of Trust. The words "Deed of Trust" mean this Deed of Trust among Grantor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

Grantor. The word "Grantor" means EPERANZA PEACE AND JUSTICE CENTER.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Trustee or Lender to enforce Grantor's obligations under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Deed of Trust.

Lender. The word "Lender" means THE FROST NATIONAL BANK, its successors and assigns.

Note. The word "Note" means the promissory note dated February 13, 2007, **in the original principal amount of \$44,000.00** from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Trustee. The word "Trustee" means JIMMY R. LOCKE, whose address is P. O. BOX 1600, SAN ANTONIO, TX 78296 and any substitute or successor trustees.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

EPERANZA PEACE AND JUSTICE CENTER

By: 
GRACIELA I SANCHEZ, Executive Director of
EPERANZA PEACE AND JUSTICE CENTER

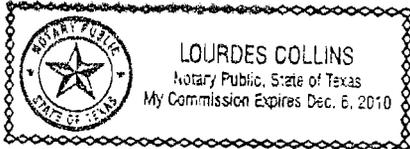
509

DEED OF TRUST
(Continued)

CORPORATE ACKNOWLEDGMENT

STATE OF Texas)
)
) SS
COUNTY OF Bexar)

This instrument was acknowledged before me on February 15, 2007 by GRACIELA I SANCHEZ, Executive Director of EPERANZA PEACE AND JUSTICE CENTER a Texas corporation, on behalf of said corporation.



Louderes

Notary Public, State of Texas

2007 APR 11 PM 3:10
NOTARY PUBLIC
STATE OF TEXAS

ARBITRATION AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$44,000.00	02-13-2007	02-13-2022	9002		3533155	298	
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: *S. J.*
 ESPERANZA PEACE AND JUSTICE CENTER (TIN:
 74-2419582)
 922 SAN PEDRO
 SAN ANTONIO, TX 78212

Lender: THE FROST NATIONAL BANK
 SOUTHWEST MILITARY FINANCIAL CENTER
 P.O. BOX 1600
 SAN ANTONIO, TX 78296

LOAN AMOUNT: \$44,000.00
 LOAN DATE: February 13, 2007

The undersigned agree that all disputes, claims and controversies between them, whether individual, joint, or class in nature, arising from the Promissory Note, Guaranty, or any agreements executed in connection with this loan (including any renewals, extensions or modifications thereof) from Lender to Borrower or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Commercial Arbitration Rules of the American Arbitration Association, upon written request of a party. The party that requests arbitration has the burden to initiate the arbitration proceedings pursuant to and by complying with the Commercial Arbitration Rules of the American Arbitration Association and shall pay all associated administrative and filing fees. The arbitration shall be conducted in the City of San Antonio, Bexar County, Texas, and administered by the American Arbitration Association. All arbitration hearings will be commenced within sixty (60) days of the written request for arbitration, and if the arbitration hearing is not commenced within the sixty (60) days, the party that requested arbitration shall have waived its election to arbitrate. No act to take or dispose of any collateral securing the loan shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Chapter or Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any collateral securing the loan, including any claim to rescind, reform, or otherwise modify any agreement relating to the collateral securing the loan, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this agreement shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration agreement.

This Agreement may be executed in multiple counterparts, each of which shall constitute an original instrument, but all of which shall constitute one and the same agreement.

BORROWER:

ESPERANZA PEACE AND JUSTICE CENTER

By: *Graciela Sanchez*
 GRACIELA SANCHEZ, President of
 ESPERANZA PEACE AND JUSTICE CENTER

LENDER:

THE FROST NATIONAL BANK

By: _____
 Authorized Officer

RECEIVED
 COMMERCIAL ARBITRATION
 DEPARTMENT
 APR 11 PM 3:10



AGREEMENT TO PROVIDE INSURANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$44,000.00	02-13-2007	02-13-2022	9002		3533155	298	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Grantor: ^S ^{UP} EPERANZA PEACE AND JUSTICE CENTER (TIN: 74-2419582)
922 SAN PEDRO
SAN ANTONIO, TX 78212

Lender: THE FROST NATIONAL BANK
SOUTHWEST MILITARY FINANCIAL CENTER
P.O. BOX 1600
SAN ANTONIO, TX 78296

INSURANCE REQUIREMENTS. Grantor, EPERANZA PEACE AND JUSTICE CENTER ("Grantor"), understands that insurance coverage is required in connection with the extending of a loan or the providing of other financial accommodations to Grantor by Lender. These requirements are set forth in the security documents for the loan. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

Collateral: 820 S. COLORADO, SAN ANTONIO, TX 78207.

Type: Fire and extended coverage.

Amount: Full Insurable Value.

Basis: Replacement value.

Endorsements: Standard mortgagee's clause with stipulation that coverage will not be cancelled or diminished without a minimum of 10 days prior written notice to Lender, and without disclaimer of the insurer's liability for failure to give such notice.

Latest Delivery Date: By the loan closing date.

INSURANCE COMPANY. Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender.

FLOOD INSURANCE. Flood Insurance for the Collateral securing this loan is described as follows:

Real Estate at 820 S. COLORADO, SAN ANTONIO, TX 78207.

The Collateral securing this loan is not currently located in an area identified as having special flood hazards. Therefore, no special flood hazard insurance is necessary at this time. Should the Collateral at any time be deemed to be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Collateral is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan. Flood insurance may be purchased under the National Flood Insurance Program or from private insurers.

FAILURE TO PROVIDE INSURANCE. Grantor agrees to deliver to Lender, on the latest delivery date stated above, evidence of the required insurance as provided above, with an effective date of February 13, 2007, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be added to the indebtedness as provided in the security document. GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO AN AMOUNT EQUAL TO THE LESSER OF (1) THE UNPAID BALANCE OF THE DEBT, EXCLUDING ANY UNEARNED FINANCE CHARGES, OR (2) THE VALUE OF THE COLLATERAL; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

If such insurance purchased by Lender is procured at a rate or charge not fixed or approved by the State Board of Insurance, Grantor will be so notified, and Grantor may at any time cause the cancellation of collateral protection insurance by providing proper evidence to Lender that Grantor has obtained insurance as required by the security document.

Texas Creditor-Placed Insurance Notice: Grantor is required to keep the Collateral insured against damage in the amount specified by Lender. Grantor will purchase the insurance from an insurer that is authorized to do business in Texas or an eligible surplus lines insurer. Lender shall be named as the person to be paid under such policy in the event of loss. If required by Lender, Grantor must deliver a copy of the policy and proof of the payment of premiums to Lender. If Grantor fails to meet any of these requirements, Lender may, but does not have to, obtain collateral protection insurance on Grantor's behalf at Grantor's expense.

AUTHORIZATION. For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan, or other financial accommodations, or both.

2007 APR 11 PM 3:10
SOUTHWEST MILITARY FINANCIAL CENTER
SAN ANTONIO, TX 78296

AGREEMENT TO PROVIDE INSURANCE
(Continued)

Loan No: 9002

Page 2

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED FEBRUARY 13, 2007.

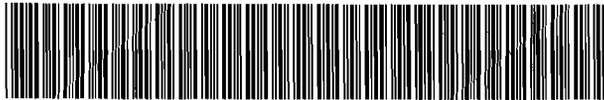
GRANTOR:

EPERANZA PEACE AND JUSTICE CENTER

By 
GRACIELA I. SANCHEZ, Executive Director of
EPERANZA PEACE AND JUSTICE CENTER
lgs

FOR LENDER USE ONLY		
INSURANCE VERIFICATION		PHONE
DATE:	_____	_____
AGENT'S NAME:	_____	
AGENCY:	_____	
ADDRESS:	_____	
INSURANCE COMPANY:	_____	
POLICY NUMBER:	_____	
EFFECTIVE DATES:	_____	
COMMENTS:	_____	

2007 APR 11 PM 3:11
RECEIVED
OFFICE OF STATE ATTORNEY
SAN ANTONIO, TEXAS



DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$44,000.00	02-13-2007	02-13-2022	9002		3533155	298	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: ^S EPERANZA PEACE AND JUSTICE CENTER (TIN: 74-2419582)
922 SAN PEDRO
SAN ANTONIO, TX 78212

Lender: THE FROST NATIONAL BANK
SOUTHWEST MILITARY FINANCIAL CENTER
P.O. BOX 1600
SAN ANTONIO, TX 78296

LOAN TYPE. This is a non-precomputed Variable Rate Nondisclosable Irregular Loan to a Corporation for \$44,000.00 due on February 13, 2022.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- Personal, Family or Household Purposes.
- Personal Investment.
- Business, Agricultural and All Other.

SPECIFIC PURPOSE. The specific purpose of this loan is: PURCHASE COMMERCIAL BUILDING.

FLOOD INSURANCE. As reflected on Flood Map No. 48029C0441E dated 02-16-1996, for the community of SAN ANTONIO, the property that will secure the loan is not located in an area that has been identified by the Director of the Federal Emergency Management Agency as an area having special flood hazards. Therefore, although flood insurance may be available for the property, no special flood hazard insurance protecting property not located in an area having special flood hazards is required by law for this loan at this time.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$44,000.00 as follows:

Amount paid to others on Borrower's behalf:	\$44,000.00
\$44,000.00 to SERVICE TITLE	

Note Principal:	\$44,000.00
-----------------	-------------

AUTOMATIC PAYMENTS. Borrower hereby authorizes Lender automatically to deduct from Borrower's Demand Deposit - Checking account, numbered 010389404, the amount of any loan payment. If the funds in the account are insufficient to cover any payment, Lender shall not be obligated to advance funds to cover the payment. At any time and for any reason, Borrower or Lender may voluntarily terminate Automatic Payments.

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED FEBRUARY 13, 2007.

BORROWER:

EPERANZA PEACE AND JUSTICE CENTER

By: Graciela Sanchez
GRACIELA I. SANCHEZ, Executive Director of
EPERANZA PEACE AND JUSTICE CENTER

2007 APR 11 PM 3:11
 RECEIVED
 OFFICE OF SAN ANTONIO
 CITY CLERK

MEETING OF THE CITY COUNCIL

ALAMODOME
ARTS & CULTURAL AFFAIRS
ASSET MANAGEMENT
AVIATION
BUDGET & PERFORMANCE ASSESSMENT
BUILDING INSPECTIONS
HOUSE NUMBERING
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS
CITY PUBLIC SERVICE - GENERAL MANAGER
CITY PUBLIC SERVICE - MAPS AND RECORDS
CODE COMPLIANCE
COMMERCIAL RECORDER
COMMUNITY INITIATIVES
COMMUNITY RELATIONS
PUBLIC INFORMATION
CONVENTION AND VISITORS BUREAU
CONVENTION CENTER EXPANSION OFFICE
CONVENTION FACILITIES
ECONOMIC DEVELOPMENT
FINANCE - DIRECTOR
FINANCE - ASSESSOR
FINANCE - CONTROLLER
FINANCE - GRANTS
FINANCE - TREASURY
FIRE DEPARTMENT
HOUSING AND COMMUNITY DEVELOPMENT
HUMAN RESOURCES (PERSONNEL)
INFORMATION SERVICES
INTERGOVERNMENTAL RELATIONS
INTERNAL REVIEW
INTERNATIONAL AFFAIRS
LIBRARY
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
PARKS AND RECREATION
MARKET SQUARE
YOUTH INITIATIVES
PLANNING DEPARTMENT
DISABILITY ACCESS OFFICE
LAND DEVELOPMENT SERVICES
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
ENVIRONMENTAL SERVICES
PARKING DIVISION
REAL ESTATE DIVISION
SOLID WASTE
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA

AGENDA ITEM NUMBER: 14

DATE: FEB 08 2007

MOTION: Herrera / McNeil

ORDINANCE NUMBER: 2007-02-08-0144

RESOLUTION NUMBER: _____

ZONING CASE NUMBER: _____

TRAVEL AUTHORIZATION: _____

ROGER D. FLORES District 1			
SHEILA D. MCNEIL District 2			
ROLAND O. GONZALEZ District 3			
RICHARD F. ... District 4			
PATRICIA ... District 5			
DELICIA HERRERA District 6			
ELENA GUERRERO District 7			
ARI ... District 8			
KEVIN ... District 9			✓
CHRISTOPHER CHIP HAASS District 10			
PHIL HARDENBERG Mayor			

CONSENT AGENDA