

FEB 03 2011

At 1:50 p.m. M.  
Amalia Rodriguez-Mendoza, Clerk

NO. D-1-GV-09-000153

STATE OF TEXAS,  
Plaintiff,

v.

GUADALUPE PEREZ and  
PETRA PEREZ,  
Defendants.

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§  
§  
§  
§

IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

126th JUDICIAL DISTRICT

**AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION**

On this day, Plaintiff, the State of Texas, and Defendants, Guadalupe Perez and Petra Perez, submitted this Agreed Final Judgment and Permanent Injunction to the Court for approval. By the duly-authorized signatures subscribed to this Judgment, all parties represent to the Court that they agree to the terms of this Judgment, and that the Judgment represents the settlement of all matters in the State's Second Amended Petition and Application for Permanent Injunction.

The Court finds that it has jurisdiction over the subject matter of this action pursuant to Tex. Local Gov't Code §§ 232.035(f) and 232.037. The Court finds this Judgment to be proper, necessary, and in the best interest of justice.

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED AS FOLLOWS:**

**1. DEFINITIONS**

1.1 As used in this Judgment, the following words and terms set forth have the following meanings:

A. "The State" means the State of Texas.

- B. "Defendants" means Guadalupe Perez and Petra Perez.
- C. "Parties" means Defendants and the State, collectively.
- D. "Effective Date" means the date the Court signs this Judgment.
- E. "Judgment" means this Agreed Final Judgment and Permanent Injunction.
- F. "Block 114 Subdivision" means Block 114 of the El Jardin Subdivision of Share 32, Espiritu Santo Grant recorded in Volume 4, Page 52 of the Cameron County plat records. The Block 114 Subdivision is located at the intersection of South Oklahoma Avenue and Arkansas Avenue in Cameron County, Texas.
- G. "Magic Valley Properties" means a three-acre property and four-acre property contained within Block 1, Section 2 of the Magic Valley Subdivision recorded at Volume 2, Pages 9-10 of the Cameron County plat records. The two properties are more fully described in a warranty deed with vendor's lien that conveyed the three-acre property to Alonzo Peña and the warranty deed with vendor's lien that conveyed the four-acre property to Alonzo and Mirthala Peña, true and correct copies of which are attached to this Judgment as **Attachment A** and incorporated herein by reference.
- H. "Four-acre Property" means the four-acre property contained in the Magic Valley Properties.
- I. "Three-acre Property" means the three-acre property contained in the Magic Valley Properties.

## 2. NO ADMISSION OF LIABILITY

2.1 Defendants do not admit liability for any of the allegations in the State's Second Amended Original Petition and Request for Permanent Injunction. The Defendants enter into this Judgment because of the uncertainty and costs associated with litigation.

The Defendants represent to the Court that they actively participated in the negotiations leading to this Judgment.

### **3. PARTIES BOUND**

3.1 This Judgment applies to and is binding upon the Parties and their agents, representatives, successors, predecessors, divisions, subsidiaries, present and former officers, and all other persons acting in concert with them, on their behalf, or under their control, whether directly or indirectly, including any attorney.

3.2 Any transfer of assets or real property shall in no way alter Defendants' responsibilities under this Judgment.

3.3 Nothing in this Judgment shall be construed to create any rights or grant any cause of action to any person not a party to this Judgment.

### **4. COMMITMENTS BY DEFENDANTS**

4.1 Defendants acknowledge receipt of a copy of this Judgment, are aware of the duties placed upon them in this Judgment, and are desirous and capable of carrying out those duties in full.

4.2 Defendants waive the necessity of the issuance and service of a writ of injunction.

### **5. PERMANENT INJUNCTION**

**IT IS FURTHER ORDERED THAT DEFENDANTS, ALL OF THEIR AGENTS,**

**EMPLOYEES, AND ALL OTHER PERSONS ACTING IN ACTIVE CONCERT OR PARTICIPATION WITH THEM ARE PERMANENTLY ENJOINED AS FOLLOWS:**

5.1 Immediately upon the Effective Date of this Judgment, Defendants shall not subdivide, advertise, sell, re-sell, or execute any new leases for any lots in the Block 114 Subdivision without first obtaining approval of a plat for the subdivision from the Cameron County Commissioners Court in compliance with ordering paragraph 5.2 below.

5.2 No later than ninety (90) days after the Effective Date of this Judgment, Defendants shall submit a subdivision plat to the Cameron County Engineering Division for approval of the Block 114 Subdivision. The plat shall include all properties Defendants have sold or leased in the Block 114 Subdivision. The plat shall be prepared by an engineer licensed in the State of Texas, and in accordance with Texas Local Government Code, Chapter 232, Subchapter B and the applicable Model Subdivision Rules. Defendants shall diligently pursue approval of the plat and take any further action requested by Cameron County to secure final approval of the plat. Defendants shall obtain final approval of the plat no later than one hundred and twenty (120) days after the Effective Date of this Judgment.

5.3 No later than thirty (30) days after the Effective Date of this Judgment, Defendants shall offer Alonzo Peña and Mirthala Peña a refund for the Magic Valley Properties by means of a Purchase Agreement. The Purchase Agreement shall provide

consideration of \$155,860.00 in exchange for their transfer to the Defendants of the Four-acre Property. The offer of refund will provide for a Closing to be held at Stewart Title of Cameron County, wherein Defendants will purchase the Four-acre Property from Alonzo Peña and Mirthala Peña who, pursuant to the Purchase Agreement, shall transfer, assign, and convey by general warranty deed the Four-acre Property, free and clear from all liens, claims, and encumbrances, save and except any liens created in favor of the Defendants, which liens shall be released by Defendants. If the Purchase Agreement is accepted and executed by Alonzo Peña and Mirthala Peña, the Closing of the transaction will take place, and the Defendants shall comply with the following requirements within sixty (60) days of acceptance:

- A. The Defendants shall deliver the refund to Stewart Title of Cameron County for delivery for the benefit of Alonzo Peña and Mirthala Peña at 6903 Lucero Court, Palmview, Texas 78572;
- B. The refund shall include a down payment in the amount of \$15,000.00 delivered at the time of Closing by certified check and made payable to Stewart Title of Cameron County for the benefit of Mirthala Peña or Alonzo Peña. At the Closing, the Defendants shall execute a promissory note made payable to Alonzo Peña and Mirthala Peña with a principle amount of \$140,860.00. The promissory note shall require all payments to be made no later than 18 months after the date of execution;
- C. The Closing of the transaction shall include a release of lien signed by Petra Perez stating that in consideration of accepting full refunds for the purchases of the Four-acre and Three-acre Properties, Alonzo Peña is released from all obligations arising under the promissory note for the Three-acre Property and that all indebtedness under the

note is cancelled and extinguished. The release of lien shall include a complete metes and bounds description of the Three-acre Property and shall include an acknowledgment by a notary public for the State of Texas. In addition, Petra Perez shall record, at her own expense, the release of lien in the real property records of Cameron County. A true and correct copy of the promissory note to be referenced in this release of lien is attached to this permanent injunction as **Attachment B** and incorporated herein by reference;

- D. The Closing shall also include the cancellation of the original signed promissory note for the Three-acre Property, a copy of which is attached as **Attachment B** to this Judgment. The original signed promissory note, marked "Cancelled," shall be delivered to Alonzo and Mirthala Peña at the Closing together with the refund check or described in ordering paragraph 5.3(B) and release of lien described in ordering paragraph 5.3(C); and
- E. Defendants shall pay all of the ordinary and usual closing costs charged by title companies in Cameron County, including the costs of filing documents, title policy expense, escrow fees, etc.

5.4 No later than ninety (90) days after the Effective Date of this Judgment, Defendants shall deliver to the State copies of all refund documents required under ordering paragraph 5.3(A) through (D). The documents delivered to the State shall be delivered by U.S. First Class Mail or U.S. Certified Mail Return Receipt Requested to the following address:

MARK A. STEINBACH  
Office of the Attorney General  
Environmental Protection and  
Administrative Law Division  
P.O. Box 12548, MC-018  
Austin, Texas 78711-2548

**IT IS FURTHER ORDERED:**

**6. CIVIL PENALTIES**

6.1 The State shall have judgment against Defendants, jointly and severally, for \$54,000.00. Defendants shall make full payment of this amount in accordance with paragraphs 8.1 and 8.2 of this Judgment.

**7. ATTORNEY'S FEES AND COSTS**

7.1 The State shall have judgment against Defendants, jointly and severally, for attorney's fees and investigative costs in the amount of \$57,850.00.

7.2 The State shall have judgment against the Defendants, jointly and severally, for its litigation costs in the amount of \$1,789.85.

7.3 Defendants shall make full payment of the amounts described in paragraphs 7.1 and 7.2 and in accordance with paragraphs 8.1 and 8.2 of this Judgment.

**8. PAYMENTS**

8.1 Defendants shall pay all amounts awarded in this Judgment as follows:

- A. Defendants are jointly and severally responsible for making a payment of \$59,639.85 to the State no later than thirty (30) days after the Effective Date of this Judgment.
- B. Defendants are jointly and severally responsible for making seven (7) monthly payments each in the amount of \$7,000.00 with the first such payment beginning on the first day of the month following sixty (60) days after the Effective Date of this Judgment. The subsequent payments shall be made no later than the first day of the month for the

following six months.

- C. Defendants are jointly and severally responsible for making a final payment in the amount of \$5,000.00. The final payment shall be made no later than nine (9) months after the Effective Date of this Judgment.

8.2 Payment for all amounts awarded in this Judgment shall be made by certified check or money order made payable to the State of Texas and shall bear the identifying number "A.G. # 082535386." Checks shall be delivered to Division Chief, Environmental Protection and Administrative Law Division, Office of the Attorney General, MC-018, P.O. Box 12548, Austin, Texas 78711-2548.

#### **9. RETENTION OF JURISDICTION**

9.1 This Court retains jurisdiction over both the subject-matter of this Judgment and the Parties for the duration of the performance of the terms and provisions of this Judgment for the purpose of enabling the State or Defendants to apply to the Court at any time for such further direction or relief as may be necessary or appropriate for the construction or modification of this Judgment, to effectuate or enforce compliance with its terms, or to resolve disputes related to it.

#### **10. MODIFICATIONS**

10.1 This Judgment may be modified only upon the written consent of all the Parties. All modifications of this Judgment shall become effective as of the date of approval by this Court.

10.2 Any modification approved in writing pursuant to paragraph 10.1 of this Judgment shall be considered an integral part of this Judgment and shall be enforceable against Defendants as if set forth herein.

10.3 No informal advice, guidance, suggestion, or comment (whether oral, written or electronic) by any representative of the State, any agency of the State, or a county in the State, regarding reports, plans, specifications, schedules, rule interpretations, or any other writing shall relieve Defendants of their obligation to obtain such formal written approval, as this Judgment may require, for a modification and to comply with all the requirements of this Judgment.

#### **11. COLLECTION AND POST-JUDGMENT INTEREST**

11.1 The Parties agree that the State may immediately file an abstract of judgment for the entire amount due under this Judgment. The State shall take no other action to collect on this Judgment, other than abstracting it, unless any payment due under this Judgment becomes more than thirty days late.

11.2 The State has the right to initiate collection proceedings on the entire unpaid balance due under this Judgment if any payment is more than thirty days late.

11.3 If any payment due under this Judgment becomes late by more than thirty days, Defendants shall pay post-judgment interest at the legal rate of 5.00% per annum on the entire remaining amount due until fully paid.

**12. GENERAL PROVISIONS**

12.1 The State shall be allowed such writs and process as may be needed for the enforcement of this Judgment.

12.2 This Judgment constitutes the entire agreement between the Parties and supercedes any and all prior agreements or understandings between the Parties relating to the referenced cause, including but not limited to, Rule 11 agreements between the Parties prior to the signing of this Judgment.

12.3 This Judgment may be executed in multiple parts, which together shall constitute a single original instrument. Any executed signature page to this Judgment may be transmitted by facsimile transmission or email to other parties, which shall constitute an original signature for all purposes.

12.4 The Parties waive any appeal from this Judgment.

12.5 All relief not specifically granted herein is denied.

12.6 This Judgment disposes of all Parties and claims.

SIGNED ON February 10, 2011.

  
\_\_\_\_\_  
JUDGE PRESIDING

**AGREED AS TO FORM AND SUBSTANCE AND ENTRY REQUESTED:**

GREG ABBOTT  
Attorney General of Texas

DANIEL T. HODGE  
First Assistant Attorney General

BILL COBB  
Deputy Attorney General for Civil Litigation

BARBARA B. DEANE  
Chief, Environmental Protection and  
Administrative Law Division

DAVID PREISTER  
Chief, Environmental Protection Section



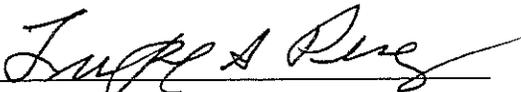
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MARK A. STEINBACH  
State Bar No. 24056653  
Assistant Attorney General

Office of the Attorney General  
P.O. Box 12548, MC-018  
Austin, Texas 78711-2548  
Tel:(512) 463-2012  
Fax:(512) 320-0911

ATTORNEYS FOR THE STATE OF TEXAS

AGREED AS TO FORM AND SUBSTANCE:

  
\_\_\_\_\_  
Guadalupe Perez  
Defendant

  
\_\_\_\_\_  
Petra Perez  
Defendant

  
\_\_\_\_\_  
Dennis Sanchez  
Sanchez, Whittington, Zabarte & Wood, LLC  
3505 Boca Chica, Suite 100  
Brownsville, Texas 78521-4064

ATTORNEYS FOR DEFENDANTS

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

### WARRANTY DEED WITH VENDOR'S LIEN

**Date:** August 15, 2008

**Grantor:** PETRA PEREZ

**Grantor's Mailing Address (including county):**

6424 Padre Island Highway  
Brownsville, Cameron County, Texas 78520

**Grantee:** ALONZO PENA

**Grantee's Mailing Address (including county):**

8903 Lucero  
Mission, Hidalgo County, Texas 78572

**Consideration** The sum of TEN AND NO/HUNDREDTHS DOLLARS (\$10.00) Cash, and other good and valuable consideration, to said Grantor in hand paid by the Grantee herein named, the receipt of which is hereby acknowledged and confessed by Grantor herein; AND THE FURTHER CONSIDERATION of the execution and delivery of a one certain Note in the principal amount of FIFTY-FIVE THOUSAND AND NO/HUNDREDTHS DOLLARS (\$55,000.00), executed by Grantee, payable to the order of Grantor as therein specified and bearing interest at the rate therein provided. The Note provides for acceleration of maturity and payment of attorney's fees in the event of default, and is secured by a Vendor's Lien retained in this Deed and by a Deed of Trust of even date from Grantee to WILLIAM A. FAULK, JR., and DANIEL L. RENTFRO JR., Trustees.

**Property (including any improvements):**

A 3.00 acre tract of land being the East 3 acres of Block 1, MAGIC VALLEY SUBDIVISION, Cameron County, Texas, as described on attached Exhibit "A".

**Reservations from and Exceptions to Conveyance and Warranty:**

Any and all restrictions, covenants, conditions, easements and reservations, if any, relating to the hereinabove described Property, but only to the extent they are still in effect, shown of record in the hereinabove mentioned County and State, and to all zoning laws, regulations and ordinances of municipal and/or other governmental authorities, if any, but only to the extent that they are still in effect relating to the hereinabove described Property.

As a material part of the Consideration for this deed, Grantor and Grantee agree that Grantee is taking the Property "AS IS" with any and all latent and patent defects and that there is no warranty by Grantor that the property has a particular financial value or is fit for a particular purpose. Grantee acknowledges and stipulates that Grantee is not relying on any representation, statement, or other assertion with respect to the Property condition but is relying on Grantee's examination of the property. Grantee understands and accepts that property herein described is within Flood Zone "B" and that it remains a part of Flood Zone "AB".

2008-0419  
Warranty Deed with Vendor's Lien

ATTACHMENT A

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and Warranty, GRANTS, SELLS, and CONVEYS to Grantee the Property, together with all and singular the rights and appurtenances thereto, in any wise belonging, TO HAVE AND HOLD it to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to WARRANT AND FOREVER DEFEND all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to conveyance and warranty.

The Vendor's Lien against and Superior Title to the Property are retained until each Note described is fully paid according to its terms, at which time this Deed shall become absolute.

When the context requires, singular nouns and pronouns include the plural.

Grantor

Petra Perez

Accepted by:  
Grantee

Alonzo Pena

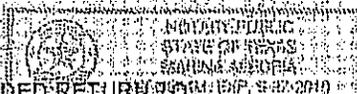
(Acknowledgment)

THE STATE OF TEXAS §

COUNTY OF CAMERON §

THIS INSTRUMENT was acknowledged before me on the 15th day of August, 2008, by Petra Perez and Alonzo Pena.

NOTARY PUBLIC, STATE OF TEXAS



WHEN RECORDED RETURN TO:  
ALONZO PENA  
6903 LUCERO  
MISSION TEXAS 78572  
RFLF #2008-04-19

PREPARED IN THE LAW OFFICE OF:  
THE RENTERO FAULK LAW FIRM LLP  
185 E. RUBEN M. TORRES, SR. BLVD  
BROWNSVILLE TEXAS 78520

**RIOS SURVEYING COMPANY**  
**221 S. WILLIAMS ROAD**  
**SAN BENITO, TEXAS 78586**  
**(956) 361-9179, FAX (956) 361-9254**

**METES AND BOUNDS DESCRIPTION**  
**3.00 ACRES**  
**CAMERON COUNTY, TEXAS.**

Being a tract containing 3.00 acres of land out of Block One (1), Section Two (2), of the Magic Valley Subdivision, as recorded in Volume 2, Pages 9 and 10 of the Cameron County Map Records, Cameron County, Texas; Said 3.00 acre tract being more particularly described as follows:

**BEGINNING** at a concrete monument found on the intersection of the South Right of Way line of State Highway 100 and the West Right of Way line of Laguna Madre Boulevard (50.00 feet of Right of Way not in use) for the Northeast corner of said Block 1 and of the herein described tract;

**THENCE**, along the West Right of Way line of said Laguna Madre Boulevard and the East line of said Block 1, South 04 degrees 03 minutes 30 seconds West, a distance of 411.04 feet to a concrete monument found on the North Right of Way line of Rio Grande Boulevard (80.00 feet of Right of Way not in use) for the Southeast corner of said Block 1 and of the herein described tract;

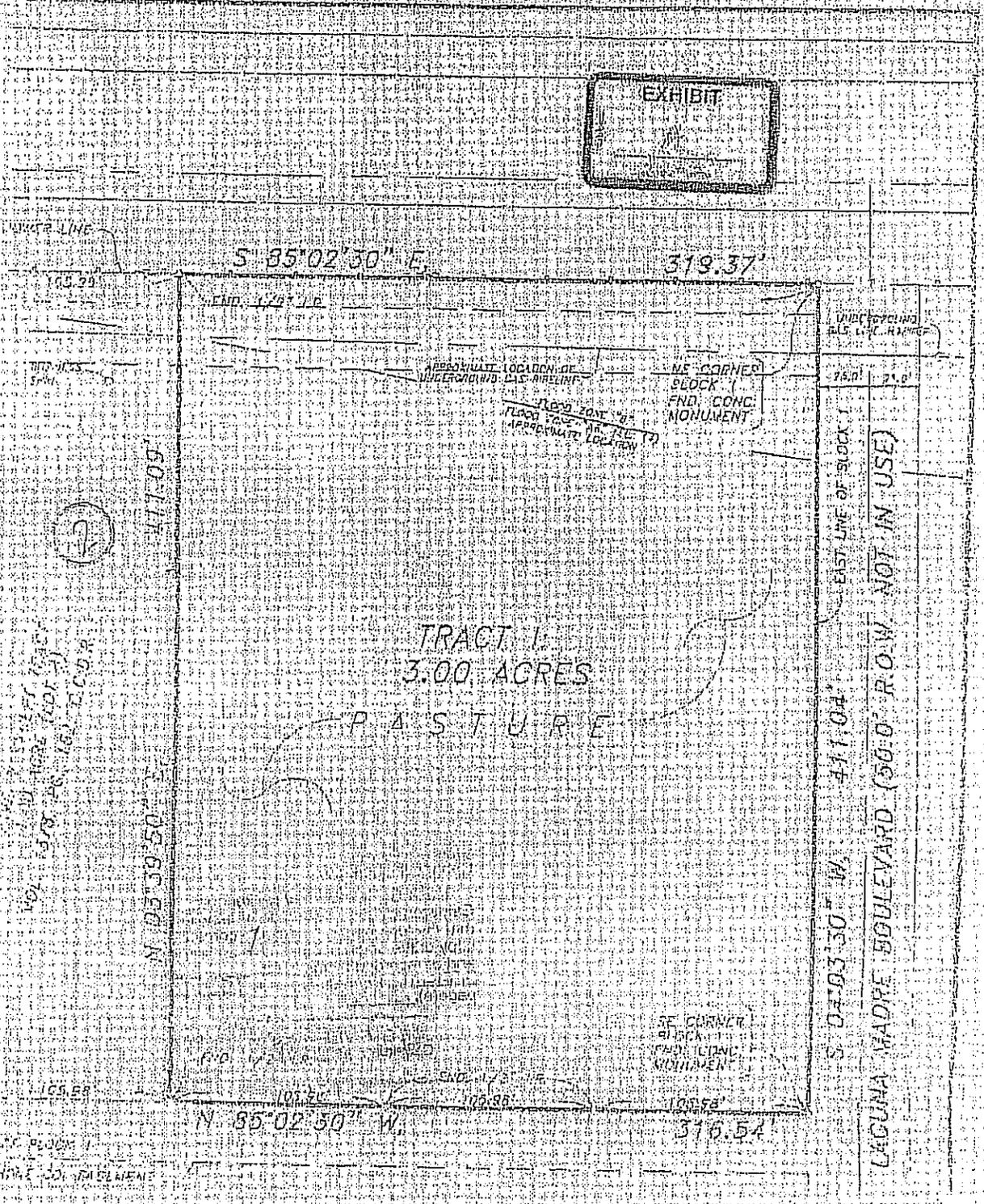
**THENCE**, along the North Right of Way line of said Rio Grande Boulevard and the South line of said Block 1, North 85 degrees 02 minutes 30 seconds West, a distance of 316.54 feet to a 1/4 inch iron rod found for the Southwest corner of the herein described tract and being the Southeast corner of a certain 1.00 acre tract recorded as Lot 8 in Volume 1378, Page 162 of the Deed Records of Cameron County, Texas;

**THENCE**, departing the South line of said Block 1, North 03 degrees 39 minutes 50 seconds East, along the East line of said 1.00 acre tract, a distance of 411.09 feet to a 1/4 inch iron rod found on the South Right of Way line of the aforementioned State Highway 100 for the Northwest corner of the herein described tract and being the Northeast corner of said 1.00 acre tract;

**THENCE**, along the South Right of Way line of said State Highway 100, South 85 degrees 02 minutes 30 seconds East, a distance of 319.37 feet to the POINT OF BEGINNING and containing 3.00 acres of land.

Compiled by: E.M.  
Date: September 14, 2004  
Rs-08145-1





S 85°02'50" E

319.37'

APPROXIMATE LOCATION OF UNDERGROUND GAS PIPELINE

NE CORNER BLOCK I  
FIND CONC. MONUMENT

TRACT I  
3.00 ACRES

PASTURE

50.11'

UNDERGROUND GAS PIPELINE

EAST LINE OF BLOCK I

411.04'

S 0°19'30" W

LACUNA MADRE BOULEVARD (50.0' R.O.W. NOT IN USE)

N 85°02'50" W

316.54'

SE CORNER BLOCK I  
FIND CONC. MONUMENT

102.50' TO 102.50' (NOT IN USE)  
102.50' TO 102.50' (NOT IN USE)

102.50'

102.50'

102.50' TO 102.50' (NOT IN USE)

00056475

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Warranty Deed with Vendor's Lien

Date: May 4, 2006  
Grantor: GUADALUPE PEREZ AND PETRA PEREZ  
6424 E. 14<sup>TH</sup> St., Brownsville, Texas 78521  
Grantee: ALONSO PEÑA AND MIRTHALA PEÑA  
2719 W. Expressway 83, Mission, Texas 78572

**Consideration:**

A note of even date executed by Grantee and payable to the order of Grantor in the principal amount of EIGHTY-FIVE THOUSAND AND NO/100 DOLLARS (\$85,000.00). The note is secured by a first and superior vendor's lien and superior title retained in this deed and by a first-lien deed of trust of even date from Grantee to PETER C. GLMAN, trustee.

**Property (including any improvements):**

Being a tract containing 4.00 acres of land out of Block One (1), Section Two (2), of the Magic Valley Subdivision, as recorded in Volume 2, Page 9 and 10 of the Cameron County Map Records, Cameron County, Texas; said 4.00 acres tract being more particularly described as follows:

COMMENCING at a concrete monument found on the intersection of the South Right of Way line of State Highway 100 and the West Right of Way line of Laguna Madre Boulevard (50.00 feet of Right of Way not in use) for the Northeast corner of said Block 1:

THENCE, along the South line of said State Highway 100, North 85 degrees 02 minutes 30 seconds West, along the North line of said Block 1, a distance of 425.35 feet to 1/2 inch iron rod found for the POINT OF BEGINNING and the Northeast corner of the herein described tract and being the Northwest corner of a certain 1.00 acre tract recorded as Lot 8 in Volume 1378, Page 162 of the Deed Records of Cameron County, Texas;

THENCE, departing the South Right of Way line of said State Highway 100 and the North line of said Block 1, South 03 degrees 39 minutes 50 seconds West, along the West line of said 1.00 acre tract, a distance of 411.09 feet to a 1/2 inch iron rod found on the South line of said Block 1 and the North Right of Way line of Rio Grande Boulevard (80.00 feet of Right of Way not in use) for the Southeast corner of the herein described tract and being the Southwest corner of said 1.00 acre tract:

THENCE, along the North Right of Way line of said Rio Grande Boulevard and the South line of said Block 1, North 85 degrees 02 minutes 30 seconds West, a distance of 423.92 feet to a 1/2 inch iron rod found for the Southwest corner of the herein described tract and being the Southeast corner of a certain 1.00 acre tract recorded as Lot 3 in Volume 1378, Page 162 of the Deed Records of Cameron County, Texas;

THENCE, departing the South line of said Block 1, North 03 degrees 39 minutes 50 seconds East, along the East line of said 1.00 acre tract, a distance of 411.09 feet to a 1/2 inch iron rod found on the South Right of Way line of the aforementioned State Highway 100 for the Northwest corner of the herein described tract and being the Northeast corner of said 1.00 acre tract;

00056475 BK V01 P09



**REAL ESTATE LIEN NOTE**

**Date:** August 15, 2008

**Maker:** ALONZO PENA

**Maker's Mailing Address (including county):**

6903 Lucero  
Mission, Hidalgo County, Texas 78572

**Payee:** PETRA PEREZ

**Place for Payment (including county):**

6424 Padre Island Highway  
Brownsville, Cameron County, Texas 78521

**Principal Amount:** FIFTY-FIVE THOUSAND AND NO/HUNDREDTHS DOLLARS (\$55,000.00)

**Annual Interest Rate on Unpaid Principal from Date:** TEN PERCENT (10.00%)

**Annual Interest Rate on Maturesd, Unpaid Amounts:** At The Highest Rate Allowed By Law.

**Terms of Payment (principal and interest):** This Note is payable as follows:

Principal is payable in three (3) quarterly installments of EIGHTEEN THOUSAND THREE HUNDRED THIRTY-THREE AND 33/100THS DOLLARS (\$18,333.33) (or more) each plus accrued interest on the 15th day of each and every quarter beginning on November 15, 2008 and continuing regularly thereafter on the 15<sup>th</sup> day of February, May until August, 2009 when the entire balance of the outstanding principal and accrued interest shall be due and payable. Interest will be calculated on the unpaid Principal to the date of each installment paid. Payments will be credited first to the accrued interest and then to the reduction of Principal.

A 5% late charge will be assessed on any payment received more than 10 days after due date.

MAKER may prepay this Note in whole, or in part, at any time before maturity without any penalty.

**Security for Payment:** A Vendor's Lien retained in Deed of even date from PAYEE to MAKER, and a Deed of Trust of even date executed by MAKER to WILLIAM A. FAULK, JR., or DANIEL L. RENTFRO, JR., TRUSTEE, covering the following described Property, to-wit:

A 3.00 acre tract of land being the East 3 acres of Block 1, MAGIC VALLEY SUBDIVISION, Cameron County, Texas, as described on attached Exhibit "A".

Maker promises to pay to the order of Payee at the place for payment and according to the terms of payment the principal amount plus interest at the rates stated above. All unpaid amounts shall be due by the final scheduled payment date.

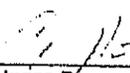
If Maker defaults in the payment of this note or in the performance of any obligation in any instrument securing or collateral to it, and the default continues after Payee gives Maker notice of the default and the time within which it must be cured, as may be required by law or by written agreement, then Payee may declare the unpaid principal balance and earned interest on this note immediately due. Maker and each surety, endorser, and guarantor waive all demands for payment, presentations for payment, notices of intention to accelerate maturity, notices of acceleration of maturity, protests, and notices of protest, to the extent permitted by law.

If this note or any instrument securing or collateral to it is given to an attorney for collection or enforcement, or if suit is brought for collection or enforcement, or if it is collected or enforced through probate, bankruptcy, or other judicial proceeding, then Maker shall pay Payee all costs of collection and enforcement, including reasonable attorney's fees and court costs, in addition to other amounts due. Reasonable attorney's fees shall be 10% of all amounts due unless either party pleads otherwise.

Interest on the debt evidenced by this note shall not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law; any interest in excess of that maximum amount shall be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess shall be cancelled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides other provisions in this and all other instruments concerning the debt.

Each maker is responsible for all obligations represented by this Note.

When the context requires, singular nouns and pronouns include the plural.

  
\_\_\_\_\_  
Alonzo Pena

**PREPARED IN THE LAW OFFICES OF:  
THE RENTRO FAULK LAW FIRM LLP  
185 E RUBEN M TORRES SR BLVD  
BROWNSVILLE TEXAS 78520  
RFLF #2008-0419**

**RIOS SURVEYING COMPANY**  
221 S. WILLIAMS ROAD  
SAN BENITO, TEXAS 78586  
(956) 361-9179, FAX (956) 361-9254

**METES AND BOUNDS DESCRIPTION**  
**3.00 ACRES**  
**CAMERON COUNTY, TEXAS.**

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BEGINNING at a concrete monument found on the intersection of the South Right of Way line of State Highway 100 and the West Right of Way line of Laguna Madre Boulevard (50.00 feet of Right of Way not in use) for the Northeast corner of said Block 1 and of the herein described tract;

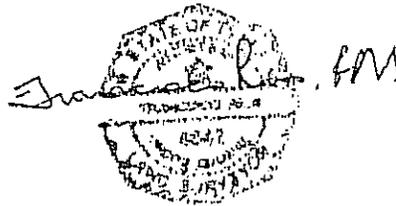
THENCE, along the West Right of Way line of said Laguna Madre Boulevard and the East line of said Block 1, South 04 degrees 03 minutes 30 seconds West, a distance of 411.04 feet to a concrete monument found on the North Right of Way line of Rio Grande Boulevard (80.00 feet of Right of Way not in use) for the Southeast corner of said Block 1 and of the herein described tract;

THENCE, along the North Right of Way line of said Rio Grande Boulevard and the South line of said Block 1, North 85 degrees 02 minutes 30 seconds West, a distance of 316.54 feet to a 1/2 inch iron rod found for the Southwest corner of the herein described tract and being the Southeast corner of a certain 1.00 acre tract recorded as Lot 8 in Volume 1378, Page 162 of the Deed Records of Cameron County, Texas;

THENCE, departing the South line of said Block 1, North 03 degrees 39 minutes 50 seconds East, along the East line of said 1.00 acre tract, a distance of 411.09 feet to a 1/2 inch iron rod found on the South Right of Way line of the aforementioned State Highway 100 for the Northwest corner of the herein described tract and being the Northeast corner of said 1.00 acre tract;

THENCE, along the South Right of Way line of said State Highway 100, South 85 degrees 02 minutes 30 seconds East, a distance of 319.37 feet to the POINT OF BEGINNING and containing 3.00 acres of land.

Compiled by: E.M.  
Date: September 14, 2004  
Rs-08145\_1



EXHIBIT

OWNER LINE

S 85°02'30" E

319.37'

FND. 1.23" LR.

INSTRUMENT NO. 12345678

APPROXIMATE LOCATION OF UNDERGROUND GAS PIPELINE

NE CORNER BLOCK 1 FND. CONC. MONUMENT

FLOOD ZONE "A" FLOOD ZONE "B" APPROXIMATE LOCATION

75.0'

15.0'

411.09'

2

TRACT 1:  
3.00 ACRES

PASTURE

EAST LINE OF BLOCK 1

411.04'

S 0°03'30" W,

LADUNA MADRE BOULEVARD (50.0' R.O.W. NOT IN USE)

N 03°59'50" E,

N 35°02'30" W,

316.54'