



**DEED OF TRUST**

1. **DEBTOR:** RZ Real Estate, LLC, a Texas limited liability company  
7272 Wurzbach Road, #901  
San Antonio, TX 78240  
and  
14201 Atlanta Road  
Laredo, TX 78045
2. **BENEFICIARY:** Texas Community Bank N.A.  
P.O. Box 450269  
6302 Sinatra Parkway  
Laredo, TX 78045-0066
3. **TRUSTEE:** The Public Trustee for the County of Eagle, State of Colorado
4. **PROPERTY:** Condominium Unit 329, according to the Condominium Map for Arrabelle at Vail Square Residential Condominiums recorded on December 31, 2007, at Reception No. 200733765, in the office of the clerk and recorder of Eagle County, Colorado and the Condominium Declaration for Arrabelle at Vail Square Residential Condominiums recorded on December 31, 2007, at Reception No. 200733764 in the office of the clerk and recorder of Eagle County, Colorado, together with: those easements appurtenant to such condominium unit arising under the reciprocal easements and covenants agreements recorded on December 31, 2007, at Reception No. 200733763 and amendment thereto recorded January 11, 2008 at Reception No. 2008000853 in the office of the clerk and recorder of Eagle County, Colorado.
5. **OBLIGATIONS:**

(a) All indebtedness evidenced and created by the following described promissory note ("the Note") payable to the order of Beneficiary, and all renewals, extensions and amendments thereto and substitutions therefore.

Date: October 14, 2008  
Amount: \$800,000.00  
Maturity Date: October 14, 2028

PLEASE RETURN TO:  
OTTO, PORTERFIELD & AYRES LLC  
P.O. BOX 3149  
VAIL, COLORADO 81658

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- (c) All expenditures made or incurred by Beneficiary pursuant to the provisions of the Note and this deed of trust together with interest thereon.

6. **GRANT.** For valuable consideration, Debtor hereby sells and conveys the Property to Trustee, together with all appurtenances, fixtures, rents, issues and profits, however evidenced, appertaining thereto or used in connection therewith, and warrants the title to the Property, subject to liens for real property taxes and assessments not currently due. This grant is made in trust to secure the Obligations.

7. **COVENANTS OF DEBTORS:** Debtor covenants and agrees: (a) to pay and satisfy all the Obligations and to keep and perform according to their terms all of the covenants and agreements contained in this deed of trust; (b) to pay, when due, all general property taxes and special assessments upon the Property; (c) to pay, when due, any other obligations secured by the Property; (d) to pay and satisfy, when due, all claims, taxes and assessments and prior encumbrances which affect the Property and not to permit or suffer any other lien against the Property which would have priority over the lien of this deed of trust, except with the prior written consent of Beneficiary or, if Debtor wishes to contest any such lien or encumbrance, upon Debtor's provision of reasonable assurance to Beneficiary of its ability to satisfy such lien or Debtor's deposit with Beneficiary within thirty days of the filing of such a lien, of an amount equal to 150% of the lien claim, which amount shall be held by Beneficiary to satisfy the lien if Debtor is unable to have the lien declared invalid; (e) to keep all improvements upon the Property insured against any casualty or loss, including fire and extended coverage, with policies issued by a company or companies acceptable to Beneficiary in an amount not less than the then total indebtedness evidenced by the Note. Each policy shall contain a loss payable or mortgagee's clause naming the Beneficiary as loss payee and shall further provide that the insurance may not be cancelled upon less than twenty days written notice to Beneficiary. Debtor shall deliver the original policy or policies of insurance to the Beneficiary within ten days of their receipt by Debtor. Debtor authorizes application of the entire insurance proceeds from such policy or policies to the payment, or in the discretion of Beneficiary, prepayment of all or any part of the Obligations, with the surplus, if any, to be paid to Debtor; (f) to keep the Property and any improvements which may at any time be on the Property in good condition and repair and to commit or suffer no waste; (g) to permit or suffer no destruction or removal of any improvements which may at any time be on the Property without the prior written consent of Beneficiary, and not to assign the rents or income from the Property; (h) to comply with all laws, ordinances, rules and regulations of governmental authorities governing the Property or its use; (i) to appear in and defend any action or proceeding purporting to affect the Property, the Note, this deed of trust or Beneficiary's rights therein or herein and to pay or reimburse Beneficiary for all costs and expenses, including attorneys' fees, incurred by Beneficiary as a result of any such action or proceeding; (j) that all awards and proceeds received in connection with the condemnation of or injury or damage to the Property or amounts received in lieu of such awards or proceeds which are not specifically designated as payable to a lessee of the Property, are hereby assigned to and shall be paid to Beneficiary and shall be applied by Beneficiary first to costs and expenses, including attorneys' fees, incurred by Beneficiary in connection with such awards or proceeds and then to the payment or, in the discretion of Beneficiary, prepayment of the Obligations with the surplus, if any, to be paid to Debtor; (k) that, if Debtor fails to keep and perform any covenant or agreement contained in this deed of trust according to its terms, Beneficiary may, after reasonable notice, take or cause to be taken such action as it deems

necessary or desirable to the end that such covenants and agreements may be kept and performed, and any sums advanced or costs and expenses incurred by Beneficiary in connection therewith, including attorneys' fees shall become due immediately without notice and shall bear interest at an annual percentage rate of 17.5%; and (l) that Debtor subordinates to the lien of this deed of trust any rights Debtor may have to the Property as a homestead exemption or any similar law which may hereafter be enacted in Colorado or be provided by any law.

8. EVENTS OF DEFAULT. The failure of Debtor timely to perform or observe according to its terms any covenant contained in this deed of trust or in the Note, or in any other note or obligation of Debtor to or for the benefit of Beneficiary, (including that certain promissory note dated January 25, 2008, in the original principal amount of \$5,300,000.00) including, but not limited to, failure to make payments when due or a conveyance of the Property in violation of paragraph 10 below, shall constitute an event of default hereunder.

9. REMEDIES UPON DEFAULT. Upon the occurrence of any event of default, Beneficiary shall have the following rights and remedies which shall be cumulative and which may be exercised with or without notice, and which may be exercised separately, independently or concurrently and more than once and in any order, and without any election of remedies to be deemed made, and without affecting the right of Beneficiary to exercise any other remedy hereunder or which Beneficiary may have in law, and without regard to other remedies then theretofore or thereafter pursued or being pursued: (a) to declare any or all of the Obligations immediately due and payable ; (b) to take immediate possession, management and control of the Property and to repair and maintain the same at the expense of Debtor and to perform such acts thereon or in connection therewith as Beneficiary may deem necessary to preserve the Property; (c) to collect and receive any and all rents, issues and profits from the Property, and to apply the same to the Obligations in any manner or to the repair or maintenance of the Property, or both; (d) to apply for and obtain, ex parte the appointment of a temporary receiver and, after notice in accordance with applicable statutes or rules of court procedure, the appointment of a permanent receiver for the Property or of the rents, issues and profits thereof, or both, and to have such receivers appointed as a matter of right without regard to the solvency of any person or the adequacy of any security or the existence of waste, and to have sums received by such receivers, after deducting and paying the costs and expenses of such receiverships, including attorneys' fees of Beneficiary, applied to the Obligations in such manner and order as Beneficiary may request; (e) to foreclose this deed of trust through the Trustee or through the courts as the Beneficiary may desire and to become the purchaser of the Property at any foreclosure sale. If foreclosure is made through the Trustee, such foreclosure shall be conducted in the manner provided by the laws of the State of Colorado.

The proceeds of any foreclosure sale shall first be applied to reimburse Beneficiary for (a) reasonable costs and expenses of foreclosure and (b) reasonable attorneys' fees and expenses of any attorney employed by the Beneficiary hereof in any such suit or proceeding, and (c) the balance of the proceeds shall be paid first to Beneficiary to pay the Obligations, with the surplus, if any, to be paid to the record owner as of the date of the foreclosure sale of the Property.

10. SALE. If Debtor shall sell or convey the Property or any part thereof or any interest therein, or any interest in the Debtor, whether legal or equitable, in any manner whether

voluntarily or involuntarily, without the prior written consent of Beneficiary, which consent may be withheld for any reason Beneficiary shall have the right, at its option, to declare the indebtedness and Obligations secured hereby immediately due and payable irrespective of the maturity date set forth above and in the Note.

**11. SECURITY AGREEMENT.** Debtor does hereby grant to Beneficiary a security interest and lien in the personal property set forth in Exhibit "A" attached hereto and by this reference made a part hereof (the "Collateral") as additional security to secure the payment of the Note and for the performance of each and every of the covenants and agreements contained in this Security Instrument. The Collateral was and shall be acquired and is and shall be used primarily for business use. The Collateral shall be kept at and on the Property. However, the Debtor shall be entitled to remove personal property pledged as Collateral provided that Debtor substitutes for or replaces same with similar property of equal or greater value. Debtor shall pay all taxes and assessments levied or assessed against the Collateral, against the security interest and other rights granted Beneficiary pursuant to this paragraph and against the Note, whether such taxes and assessments be against the Collateral, the security interest and other rights granted Beneficiary pursuant to this paragraph, the Note, the Debtor, the Beneficiary, or another. All such taxes and assessments shall be paid by Debtor before they become delinquent, and before the date they would have become delinquent or within ten (10) days after payment of same, whichever shall be sooner, Debtor shall deliver to Beneficiary official receipts, or copies thereof, showing payment. Debtor shall keep the Collateral, continuously insured against loss by fire, theft, windstorm, flood and such other hazards, as may from time to time be required by Beneficiary, in companies and in amounts in each company as may be approved by Beneficiary which approval shall not be unreasonably withheld; all such insurance policies shall be in form acceptable to Beneficiary with loss payable to Beneficiary as its interest may appear, and each and every such policy or certified copies thereof shall be promptly delivered to and held by Beneficiary. Not less than thirty (30) days in advance of the expiration of each policy Debtor shall deliver to Beneficiary a renewal or certified copy thereof, together with receipt, or copy thereof, for the premium for such renewal. In the event of loss, the insurance claim proceeds shall be applied by beneficiary, in accordance with the provisions of the paragraph of this Security Instrument entitled Insurance. Debtor is and will be the owner of the Collateral free and clear from any lien security interest or encumbrance except for the lien and the obligations created herein. No financing statement covering any of the Collateral is on file in any public office. Debtor will from time to time at the request of Beneficiary execute one or more financing statements and such other documents (and pay the costs of filing or recording the same in all public offices deemed necessary or desirable by Beneficiary) and do such other acts and things, all as Beneficiary may request to establish and maintain a valid perfected first security interest in the Collateral. Beneficiary is hereby authorized to file financing statements and continuation statements without the signature of Debtor thereon. From time to time upon the request of the Beneficiary, Debtor will furnish an inventory of the Collateral to Beneficiary, which inventory shall specifically describe the Collateral by make, model and serial number insofar as possible. Debtor shall keep the Collateral, all and singular; on the Property and shall not remove or permit same to be removed therefrom without the prior written consent of the Beneficiary except that Debtor shall be entitled to dispose of such of the Collateral as has become unfit for continued use provided Debtor simultaneously replace same with property of similar kind and for like use and provided the purchase price of any such replacement shall have been paid in full and provided that the lien of this security agreement shall continue upon any such replacement. Debtor shall use reasonable care and diligence to preserve and keep the Collateral in good condition and shall not permit or commit any waste, impairment or deterioration thereof and

Debtor shall use same only in connection with the Property. Debtor shall not sell or attempt to sell any of the Collateral and shall not create or permit any other security interest or other lien or encumbrance upon such Collateral without the prior written consent of the Beneficiary. Debtor shall pay, all and singular, the expenditures, costs, charges and expenses, including reasonable attorneys' fees and costs of title searches and information requests, incurred or paid at any time by the Beneficiary because of the failure on the part of the Debtor promptly and fully to perform any of their obligations set forth in this paragraph and all such costs, charges and expenses shall be immediately due and payable and shall bear interest at the highest legal rate permitted by law to be charged by Beneficiary from time to time, from date of payment by Beneficiary until repaid by Debtor and, together with such interest, shall be secured by the lien hereof. In the event that the Beneficiary accelerates the indebtedness secured hereby so as to make the same immediately due and payable, Beneficiary shall have and may exercise any and all rights and remedies of a Beneficiary under the Uniform Commercial Code of the State of Colorado as to the Collateral and any and all other rights and remedies available to it under any other applicable law. Provided that Beneficiary, at its option, may elect to treat the Collateral or portions thereof as real property or an interest therein for purposes of election of remedies, establishment of priorities or otherwise. Upon request or demand of Beneficiary after the occurrence of a default hereunder, Debtor shall, at Debtor's expense, assemble the Collateral and make it available to the Beneficiary and Debtor shall promptly pay all costs of Beneficiary incident to the enforcement of Beneficiary's rights hereunder, including reasonable attorney's fees and legal expenses and expenses of any repairs to any of the Collateral and expenses of any repairs to any realty or other property to which any of the Collateral may be affixed or be a part. Expenses of retaking, holding, preparing for sale, selling or the like, shall include those incurred on appeal, if any. The provisions of this paragraph are cumulative and in addition to the provisions of the Note and all other provisions of this Security Instrument.

In the event of any assignment hereof by Beneficiary, Debtor covenants and agrees that Debtor will not assert against any assignee hereof any claim or defense which Debtor may have against the Beneficiary as to the Collateral, except Debtor may assert against any such assignee any defense of a type which may be asserted against a holder in due course of a negotiable instrument under the Uniform Commercial Code of the State of Colorado.

**12. MISCELLANEOUS.** (a) This deed of trust and each of its provisions shall be binding upon the successors and assigns of Debtor and shall inure to the benefit of the Trustee, the Beneficiary and its successors and assigns. (b) This deed of trust may be amended or modified only by an instrument in writing signed by the parties charged with such amendment or waiver. (c) The terms "Debtor," "Beneficiary," "Trustee," "Property," "Obligations" and "Note" are defined in paragraphs 1 through 5, respectively. (d) The Trustee may, upon production of the Note, duly cancelled, and payment of all fees and costs by Debtor, release this deed of trust without further showing as to payment of the Obligations.

DATED: October 14, 2008

DEBTOR: RZ Real Estate, LLC  
a Texas limited liability company

By: \_\_\_\_\_  
Rolando Reyes Kuri, Manager



By: \_\_\_\_\_  
Humberto Zesati Andrade, Manager

STATE OF )  
 ) ss:  
COUNTY OF WEBB )

The foregoing Deed of Trust was acknowledged before me this 14 day of October, 2008, by Rolando Reyes Kuri as Manager and Humberto Zesati Andrade as Manager of RZ Real Estate, LLC, a Texas limited liability company.

Witness my hand and official seal.



Notary Public

My commission expires: \_\_\_\_\_

