

RENEWAL, EXTENSION AND/OR MODIFICATION AGREEMENT

THE STATE OF TEXAS

COUNTY OF HARRIS

05/21/03 **W685584**
100153905

\$27.00

RECITALS

Reference is hereby made to that one certain Promissory Note (the "Note") dated **October 18, 1999** in the original principal sum of **ONE MILLION TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$1,025,000.00)**, executed by **FULTON SE, L.P.**, payable to the order of **TEXAS FIRST BANK-GALVESTON**, said Note being secured by, among other instruments, that certain **Deed of Trust and Security Agreement** of even date therewith duly filed for record under **HARRIS County Clerk's Film Code No. 528-69-1337** of the Official Real Property Records of Harris County, Texas, and that certain **Assignment of Leases and Rents** of even date therewith duly filed for record under **HARRIS County Clerk's Film Code No. 528-69-1344** of the Official Real Property Records of Harris County, Texas; the above said instruments concerning, encumbering and creating liens against the following described property (the "Property"), to-wit:

All of **FULTON SE**, an addition in the City of Houston, Harris County, Texas, according to the map or plat recorded under Film Code No. 423068 of the Map Records of Harris County, Texas, and being more specifically described as 0.685 of one acre or 29,830 square feet of land situated in the John Austin Survey, Abstract Number 1, Harris County, Texas, being all of Lots 1, 2, 3, 32, 33 and a portion of Lot 34, Block 64 of Allen Addition, a subdivision as shown on map or plat and recorded in Volume 332, Page 611 of the Deed Records of Harris County, Texas and described in deed and recorded in the Official Public Records of Real Property of Harris County, Texas under County Clerk's File No(s). P630596 and T603201, said 0.685 of one acre or 29,830 square feet of land being more particularly described by metes and bounds on Exhibit "A" attached hereto and made a part hereof for all purposes.

FILED

03 MAY 21 PM 2:26

Rebecca W. Higgins
COUNTY CLERK
HARRIS COUNTY, TEXAS

After Recording Return To:
Houston Title Company
777 Post Oak Blvd., #200
Houston, TX 77056
Thomas W. Osborne
GF# 03030193

WITNESSETH:

WHEREAS, **FULTON SE, L.P., the original Debtor**, has conveyed to **FULTON SQUARE, INC.** (hereafter referred to as "Borrower"), by Assumption Deed of even date herewith, its interest in and to the Property, and Lender hereby agrees to said assumption.

WHEREAS, Borrower now desires to extend and/or modify the time and/or manner of payment of the Note and ratify and/or carry forward said liens against the property; and

WHEREAS, Lender, the legal owner and holder of said Note and liens securing same, in consideration of the premises and at the request of the Borrower has agreed to extend and/or modify the time and/or manner of payment of said Note as hereinafter provided; and

WHEREAS, the Borrower, in consideration of the extension and/or modification of the time and/or manner of payment of said Note as hereinafter set forth by the legal owner and holder thereof, hereby ratifies and/or renews said Note and indebtedness evidenced thereby and promises to pay to the order of **TEXAS FIRST BANK-GALVESTON** at its offices at **401 Oak Street, LaMarque, Texas 77568**, or at such other place as the holder of said Note may designate in writing, the remaining principal sum of **EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$800,000.00)**, or so much thereof as may be advanced under the Note and Loan Agreement, together with interest thereon at the rates therein (or if applicable, herein) provided, in accordance with the terms thereof and hereof from and after the effective date of this Agreement until maturity.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree that the Note, Deed of Trust and Security Agreement, and Assignment of Leases and Rents are hereby renewed, extended and/or modified as follows, to-wit:

1. The Note shall be, and hereby is, amended as follows:
 - (a) The annual interest rate set forth in said Note will change to **Six and one-half percent (6.50%) per annum.**
 - (b) Principal and interest shall be due and payable in monthly installments of **TEN THOUSAND SEVEN HUNDRED TWELVE AND NO/100 DOLLARS (\$10,712.00)** (or more) each, on the 6th day of each and every succeeding calendar month hereafter, commencing on the 6th day of June, 2003, and continuing regularly thereafter until the expiration of **eight (8) years** from date hereof, when the entire amount hereof, principal and interest then remaining unpaid, and any other charges that Maker may owe, if not sooner paid, shall be due and payable in full on August 6, 2011, ("**the Final Payment Date**"), interest being calculated on the unpaid principal to the date of each installment paid, and the payment made credited first to the discharge of interest accrued and the balance to the reduction of principal.
 - (c) **THIS LOAN (THE DEBT EVIDENCED BY THIS NOTE) IS PAYABLE IN FULL ON August 6, 2011. BORROWER (THE MAKER OF THIS NOTE) MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST THEN DUE. TEXAS FIRST BANK-GALVESTON (THE PAYEE OF THIS NOTE) IS UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. BORROWER WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS THAT BORROWER MAY OWN, OR BORROWER WILL HAVE TO FIND A LENDER, WHICH MAY BE TEXAS FIRST BANK-GALVESTON WHO BORROWER HAS THIS LOAN WITH, WILLING TO LEND BORROWER THE MONEY. IF BORROWER REFINANCES THIS LOAN AT MATURITY, BORROWER MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF BORROWER OBTAINS REFINANCING FROM TEXAS FIRST BANK-GALVESTON.**
2. The Deed of Trust and Security Agreement lien is hereby continued in full force and effect without modification or amendment.
3. The Assignment of Leases and Rents lien is hereby continued in full force and effect without modification or amendment.

Further, it is expressly agreed that for and in consideration of this Renewal, Extension and/or Modification Agreement, Borrower hereby releases and forever discharges Lender and its officers, directors, counsel, employees, agents, predecessors, successors, and assigns for all causes of action, claims, rights, and controversies, known or unknown, which Borrower had or, now has, which relate to, are based on, arise out of, or are in any way connected with any acts of Lender or its above affiliates occurring prior to the execution of this Agreement and relating in any manner to the above described Note or Deed of Trust or the Property described herein or therein. This is a general release of all possible claims and causes of action of every kind and character related to the above described subject matter and is to be interpreted liberally to effectuate maximum protection of Lender and its above affiliates.

Additionally, Borrower acknowledges that Lender has a right of set-off, without further agreement or notice, against all accounts owned by Borrower and deposited with Lender.

This real estate lien note is made for the security and enforcement of the payment of said indebtedness, or any extensions or renewals thereof, and also for the security and payment of any other indebtednesses or obligations of Borrower to Lender, whether primary or secondary, owing by Borrower to Lender, and for all sums of money which may be advanced by Lender to or for the benefit of Borrower, its successors or assigns. The liens herein referred to shall expressly secure any such past or future indebtednesses, as well as the indebtedness herein expressly described, and default in the terms of any note evidencing such past, present or future indebtedness, or default in the terms of any Deed of Trust securing same shall be an event of default and breach of covenant under all of said notes and Deeds of Trust or other security instrument, thereby giving Lender the

right to accelerate the payment of any or all said notes and to foreclose under the terms of any or all of the Deeds of Trust or other security instruments.

The Borrower hereby extends and ratifies said liens on the Property until the Note as so renewed, extended and/or modified hereby has been fully paid, and agrees that this renewal, extension and/or modification shall in no manner affect or impair the Note or the liens securing same and that said liens shall not in any manner be waived, but are acknowledged by Borrower to be valid and subsisting, the purpose of this instrument being simply to renew, extend and/or modify the Deed of Trust and the time and manner of payment of the Note and ratify and/or carry forward all liens securing same, and the Borrower further agrees that all terms and provisions of the Note, the Deed of Trust and the other instruments creating or fixing the liens securing same shall be and remain in full force and effect as therein written, except as otherwise expressly provided herein.

A breach or other default of any of the terms of this Agreement by Borrower shall constitute a breach or default under the Note and Deed of Trust, and Lender shall thereupon have the right to seek all remedies available to it under the aforesaid loan instruments.

Borrower covenants and agrees that the rights and remedies of Lender under this Agreement are cumulative of, are not in lieu of, but are in addition to, their rights to exercise and the failure to exercise them shall not constitute a waiver of any other rights and remedies which Lender shall have under the Note or the Deed of Trust.

It is agreed that time is of the essence of this Agreement.

Borrower covenants and agrees that this Agreement represents the final agreement between Borrower and Lender relating to the above described subject matter and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of

the parties herein. Borrower further covenants and agrees that there are no unwritten oral agreements between parties hereto relating to the above described subject matter.

As used herein "Lender" shall mean **TEXAS FIRST BANK-GALVESTON** or any future holder, whether one or more, of the Note.

In addition to the covenants and conditions set forth herein Borrower and Lender further covenant and agree as follows:

1. The rights and obligations of Borrower and Lender shall be determined solely from the written Loan Agreements, and any prior oral agreements between Lender and Borrower are superseded by and merged into these Loan Documents.
2. These Loan Documents may not be varied by any oral agreements or discussions that occur before, contemporaneously with, or subsequent to the execution of these Loan Documents.
3. The following Notice is provided pursuant to Section 26.02 of the Texas Business & Commerce Code:

THE WRITTEN LOAN AGREEMENTS REPRESENT THE FINAL AGREEMENTS BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

EXECUTED this the 14th day of May, 2003.

FULTON SQUARE, INC.
a Texas corporation

BY: 

PEDRO BENITEZ, Vice President

Accepted and Agreed to By:

TEXAS FIRST BANK-GALVESTON

BY: _____

ITS: _____

FULTON SQUARE, INC.
a Texas corporation

BY: _____
ANTONIO CHEDRAUI
ITS: _____

BY: _____
ALFREDO CHEDRAUI
ITS: _____

Accepted and Agreed to By:

TEXAS FIRST BANK-GALVESTON

By: Suzanne Brady-Dues
SUZANNE BRADY-DUES
Its: SENIOR VICE PRESIDENT

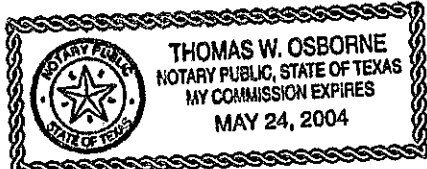
PFD-FULTON-00001700-gh

1563-1-1-1303

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on the 14th day of May, 2003, by **PEDRO BENITEZ, Vice President of FULTON SQUARE, INC.**, in the capacity therein stated and as the act and deed of said corporation.



NOTARY PUBLIC, State of Texas

THE STATE OF _____

COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 2003, by _____, _____ of TEXAS **FIRST BANK-GALVESTON**, in the capacity therein stated as the act and deed of said banking institution.

NOTARY PUBLIC, State of Texas

PFD-FULTON-MODIFICATION AGREEMENT-gh00001700

THE STATE OF _____
COUNTY OF _____

:
:
:

This instrument was acknowledged before me on the _____ day of _____,
2003, by **ANTONIO CHEDRAUI**, _____ of **FULTON SQUARE, INC.**, and in
the capacity therein stated.

NOTARY PUBLIC, State of Texas

THE STATE OF _____
COUNTY OF _____

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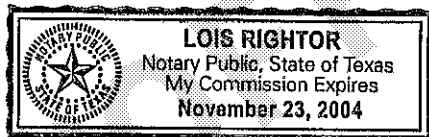
This instrument was acknowledged before me on the _____ day of _____,
2003, by **ALFREDO CHEDRAUI**, _____ of **FULTON SQUARE, INC.**, and in
the capacity therein stated.

NOTARY PUBLIC, State of Texas

THE STATE OF TEXAS
COUNTY OF GALVESTON

:
:

This instrument was acknowledged before me on the 20TH day of MAY,
2003, by SUZANNE BRADY-DUES, SENIOR VICE PRES. of **TEXAS FIRST**
BANK-GALVESTON, in the capacity therein stated as the act and deed of said banking
institution.



Lois Rightor

NOTARY PUBLIC, State of Texas

Exhibit "A"

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas on

MAY 21 2003



Dorothy B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

0.685 of one acre or 29,830 square feet of land situated in the John Austin Survey, Abstract Number 1, Harris County, Texas, being all of Lot 1, 2, 3, 32, 33 and a portion of Lot 34, Block 64 of Allen Addition, a subdivision as shown on map or plat and recorded in Volume 332, Page 611 of the Deed Records of Harris County, Texas and described in deed and recorded in the Official Public Records of Real Property of Harris County, Texas under County Clerk's File Numbers P630596 and T603201, said 0.685 of one acre or 29,830 square feet of land being more particularly described by metes and bounds as follows:

COMMENCING at City of Houston Survey Marker 5458/0207;

Thence, N 26° 21' 39" E, a distance of 1469.22 feet to a 5/8 inch iron rod set at the intersection of the Easterly right-of-way line of Gentry Street (60 foot wide) and the Northerly right-of-way line of Quitman Street (60 foot wide) for the Southwest corner of Lot 1, Block 64 of said Allen Addition and the POINT OF BEGINNING of the herein described tract of land, from which a found 5/8 inch iron rod with cap bears N 79° 05' 31" W, a distance of 1.02 feet, from which City of Houston Reference Rod Number 223 bears S 24° 26' 50" E, a distance of 30.00 feet and S 65° 33' 10" W, a distance of 555.00 feet and from which City of Houston Reference Rod Number 362 bears S 24° 26' 50" E, a distance of 30.00 feet and N 65° 33' 10" W, a distance of 750.12 feet, said POINT OF BEGINNING having grid coordinates X=3,154,335.99, Y=725,406.69, all bearings and coordinates are referenced to the Texas State Plane Coordinate System, South Central Zone, all distances are surface and may be converted by multiplying by a combined scale factor of 0.9998929187;

Thence, N 24° 26' 50" W, along the Easterly right-of-way line of said Gentry Street, a distance of 149.40 feet to a 5/8 inch iron rod set for the Southwesterly corner of Lot 4, Block 64 of said Allen Addition, from which a found 1 inch iron pipe bears S 81° 52' 30" W, a distance of 1.78 feet;

Thence, N 65° 33' 10" E, along the Southerly line of Lot 4 and 31, Block 64 of said Allen Addition, a distance of 200.00 feet to an "X" in concrete set in the Westerly right-of-way line of Fulton Street (60 foot wide) for the Southeasterly corner of said Lot 31

Thence, S 24° 26' 50" E, along the Westerly right-of-way line of said Fulton Street, a distance of 139.40 feet to an "X" in concrete set for the Northeasterly end of a cut-back line between the Westerly right-of-way line of said Fulton Street and the Northerly right-of-way line of said Quitman Street;

Thence, S 20° 33' 10" W, along said cut-back line, a distance of 14.14 feet to an "X" in concrete set for the Southwesterly corner of said cut-back line;

Thence, S 65° 33' 10" W, along the Northerly right-of-way line of said Quitman Street, a distance of 190.00 feet to the POINT OF BEGINNING and containing 0.685 of one acre or 29,830 square feet of land.