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Cameron County

Sylvia Garza-Perez
Cameron County Clerk
Brownsville, Texas

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Direct- S&P FOREIGN ASSETS SOUTH PADRE ISLAND LL
Indirect- INTERNATIONAL BANK OF COMMERCE

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THIS PAGE IS PART OF THE INSTRUMENT



I hereby certify that this instrument was filed on the date and time stamped hereon and was duly recorded in the Official Public Records in Cameron County, Texas.

A handwritten signature in cursive script, appearing to read "Sylvia Garza-Perez", is written in black ink.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL 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

**COLLATERAL ASSIGNMENT OF LEASES, RENTS
AND INCOME**

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, S&P Foreign Assets South Padre Island LLC, A Texas Limited Liability Company ("Assignor," whether one or more) and International Bank of Commerce, One South Broadway, McAllen, Texas 78505 (hereinafter called "Lender") agree as follows:

WHEREAS, Lender has agreed to make a loan (the "Loan") to Assignor and/or Maker (as defined below), evidenced by the Note(s) (as defined below), secured by instruments including a Deed of Trust (the "Mortgage") covering certain real property (the "Property") situated in Cameron County, State of Texas, more particularly described on Exhibit A attached hereto and made a part hereof for all purposes, which Note(s) and Mortgage are being executed and delivered contemporaneously herewith.

WHEREAS, In order to further secure the Loan and payment of the Indebtedness (as defined below), Assignor desires to pledge as additional collateral, and Lender desires to take as additional collateral, this Collateral Assignment of Leases, Rents and Income (the "Assignment").

NOW THEREFORE:

1. Security for Indebtedness. This Assignment is given to secure the payment and performance of the "Indebtedness", which for the purposes of this Assignment shall mean any and all indebtedness, liabilities and/or obligations of Assignor (or any of them if more than one) and/or Maker to Lender, whether immediate or remote, whether now existing or hereafter created or arising, due or to become due, direct or indirect, absolute or contingent, and whether joint, several, joint and several, as to outstanding principal, accrued and unpaid interest, attorney's fees, collection costs and all other sums owing by Assignor (or any of them if more than one) and/or Maker to Lender, including but not limited to the indebtedness evidenced by the following described promissory note(s) (the "Note(s)"):

Real Estate Lien Note/Promissory Note dated the 26th day of October, 2016, in the original principal amount of Five Hundred Thousand Dollars and No Cents (\$500,000.00), executed by S & M Projected Assets, LLC, a Series of Assets of S & M Foreign Assets, LLC A Texas Series Limited Liability Company and delivered to Lender, together with all renewals, extensions, modifications, refinancing, consolidations and substitutions thereof;

and further without limitation to:

- (a) any and all commercial loan or indebtedness;
- (b) any and all credit card or other consumer type of loan;
- (c) any and all indebtedness relating to checking or savings accounts (overdrafts, fees, etc.);
- (d) any and all expenses incurred in the protection or maintenance of the properties which secure payment of any portion of the Indebtedness (the "Collateral");
- (e) any and all expenses incurred in the collection of any indebtedness and/or obligation to Lender whether arising out of this Assignment or otherwise;

- (f) any and all letters of credit and/or indebtedness arising out of, or advanced to pay, letters of credit transactions;
- (g) any and all indebtedness, howsoever evidenced, whether by promissory note, bookkeeping entry, electronic transfer, checks, drafts or other items, or by any other manner or form;
- (h) all other indebtedness of Assignor and/or Maker to any financial institution affiliated with International Bancshares Corporation, jointly and/or severally, and in any capacity, whether as borrower, guarantor, or otherwise, now or hereafter owing and regardless of how evidenced or arising;
- (i) any and all extensions, modifications, substitutions and/or renewals of any of the indebtedness described in this Section 1;
- (j) any and all costs incurred by Lender to obtain, preserve and enforce this Assignment, collect the indebtedness described in this Section 1, and maintain and preserve the Collateral, including without limitation, all taxes, assessments, attorneys' fees and legal expenses, and expenses of sale.
- (k) the sale by Assignor and/or Maker and the purchase by Lender of Accounts (as defined in the Code);
- (l) the sale by Assignor and/or Maker and the purchase by Lender of Chattel Paper (as defined in the Code);
- (m) the sale by Assignor and/or Maker and the purchase by Lender of Payment Intangibles (as defined in the Code);
- (n) the sale by Assignor and/or Maker and the purchase by Lender of Promissory Notes (as defined in the Code); and
- (p) any of the foregoing that arises after the filing of a petition in bankruptcy by or against Assignor or Maker under the United States Bankruptcy Code, even if the obligations do not accrue because of the automatic stay under Section 362 of the United States Bankruptcy Code or otherwise.

As used herein, (i) the term "Maker" means S & M Projected Assets, LLC, a Series of Assets of S & M Foreign Assets, LLC A Texas Series Limited Liability Company (or any of them, if more than one), (ii) the term "Code" means the Uniform Commercial Code (including the Official Comments thereto) of the state where Lender is located pursuant to Lender's address set out on page 1 hereof, (iii) the term "Loan Documents" means, collectively, the Note(s) and any other document or instrument executed by Assignor or Maker or any guarantor of the Note(s) and delivered to Lender in connection with the Note(s), and (iv) the term "Guarantor" means any person or entity that has guaranteed the repayment of all or any portion of the Loan by written instrument in favor of Lender.

2. Assignment of Leases. Assignor hereby assigns all of its rights, title and interest in and to the Leases (as hereinafter defined), together with all guarantees under the Leases (whether of payment, performance or both). As used herein, the term "Leases" means (i) the leases described on Exhibit B attached hereto and made a part hereof for all purposes, the original of each of which is being delivered to Lender herewith, (ii) any other lease in effect on the date hereof for the use or occupancy of any part of the Property, and (iii) any future leases, including subleases thereunder, and any and all extensions, renewals, modifications, and replacements thereof, for the use or occupancy of any part of the Property. Prior to an Event of Default, Assignor shall have the right, without joinder of Lender, to enforce the Leases.

3. Assignment of Rents Derived from the Leases. All of the rents, whether prior or after receipt, and any and all other income and/or benefits, derived from the Leases or arising from the use or enjoyment of any portion of the Property or from any lease or agreement pertaining thereto and liquidated and other damages following default under the Leases, and all proceeds payable under any policy of insurance covering loss of rents or caused by damage to any part of the Property, together with all rights that Assignor may have under the Leases (hereinafter called the "Rents"), are hereby assigned to Lender as security for the repayment of the Indebtedness. The assignment in this paragraph constitutes a presently effective security interest in the Rents for the benefit of Lender and is perfected as of the date of recording of the first of the following documents: (i) this Assignment; or (ii) any deed of trust providing a lien on the Property for the benefit of Lender. Assignor shall apply all Rents collected by Assignor first to the payment of the Indebtedness in such manner as Lender elects and thereafter to the account of Assignor. All such Rents shall be deposited in deposit accounts maintained at the offices of Lender. Nothing in this Assignment shall be deemed to constitute a waiver or modification of any rights or remedies

of Lender under Chapter 64, Subtitle B, Title 5 of the Texas Property Code, as amended (the "Assignment of Rents Statute"). Upon the occurrence of an Event of Default (as hereinafter defined), Lender may enforce the collateral assignment of the Rents set out in this paragraph pursuant to the provisions of the Assignment of Rents Statute or any other applicable law, at the option of Lender.

4. Warranties Concerning Leases and Rents. Assignor represents and warrants that: (a) Assignor has good title to the Leases and Rents hereby assigned and authority to assign them, and no other person or entity has any right, title or interest therein; (b) all existing Leases are valid, unmodified and in full force and effect, except as indicated herein, and no default exists thereunder; (c) unless otherwise provided herein, no Rents have been or will be assigned, or pledged; (d) no Rents have been or will be anticipated, waived, released, discounted, set off or compromised; and (e) Assignor has not received any funds or deposits from any Lessee for which credit has not already been made on account of accrued Rent.

5. Assignor's Covenants of Performance. Assignor covenants to: (a) perform all of its obligations under the Leases (the "Obligations") and give prompt notice to Lender of any failure to do so; (b) give immediate notice to Lender of any notice Assignor receives from any lessee under any of the Leases ("Lessee"), specifying any claimed default, by any party under such Leases; (c) enforce the obligations under the Leases; (d) defend, at Assignor's expense, any proceeding pertaining to the Leases, including, if Lender so requests, any such proceeding to which Lender is a party; and (e) neither create nor permit any encumbrance upon its interest in the Leases, except by this Assignment.

6. Prior Consent of Lender Required. Assignor shall not, without the prior written consent of Lender, receive or collect any Rents more than one month in advance, and shall not, without the prior written consent of Lender, encumber or assign future Rents, waive or release any obligations under the Leases, cancel, terminate or modify any of the Leases, cause or permit any cancellation, termination or surrender of any of the Leases, except upon default thereunder, or permit any assignment of the Leases whereby any Lessee is released from any of its obligations thereunder.

7. Rejection Of Leases In Bankruptcy. Assignor agrees that no settlement for damages for termination of any of the Leases pursuant to any federal, state, or local statute, including without limitation termination under the United States Bankruptcy Code, shall be made without the prior written consent of Lender, and any check in payment of such damages shall be made payable to both Assignor and Lender. Assignor hereby assigns any such payment to Lender, to be applied to the Indebtedness as Lender may elect, and agrees to endorse any check for such payment to the order of Lender for application to the Indebtedness.

8. Lender's Rights. Lender's acceptance of this Assignment shall not, prior to, upon, or after entry upon and taking possession of the Property by Lender or any foreclosure of the liens or conveyance of the Property herein described in lieu thereof, be deemed to obligate Lender to appear in or defend any proceeding relating to any of the Leases, take any action hereunder, expend any money, incur any expenses or perform any obligation or liability under the Leases, or assume any obligation under the Leases, or assume any obligation in regards to any security deposits held by any party pursuant to the Leases. Lender shall not, by virtue of its acceptance of this Assignment or entry upon the Property as aforesaid, be liable for any injury or damage to persons or property. Lender shall not be obligated to perform, satisfy, or otherwise adhere to any terms of any of the Leases or any covenant of Assignors to any Lessee unless Lender agrees to do so in writing, which shall be in Lender's sole and absolute discretion.

9. Indemnification. Lender shall not be obligated to perform or discharge, nor does Lender hereby undertake to perform or discharge, any obligation, duty or liability under the Leases under or by reason of this Assignment. Assignor hereby agrees to indemnify, defend and hold Lender harmless from all liability, loss, cost, damage, or expense incurred by Lender from any claims under the Leases or under or by reason of this Assignment, including, without limitation, the management, operation and maintenance of the Property by Lender, and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should Lender incur any liability, loss or damage under the Leases or under or by reason of this Assignment, or in the defense of any such claims or

demands, the amount thereof, including costs and expenses incurred by Lender in connection therewith, including without limitation reasonable attorney's fees, shall bear interest at the maximum lawful rate and shall be payable by Assignor immediately upon demand by Lender and shall be secured hereby.

10. Records, Etc. Upon request by Lender, Assignor shall deliver to Lender executed originals of all Leases and copies of all records relating thereto. Assignor hereby irrevocably authorizes and directs each of the Lessees to pay Rents to Lender at all times from and after receipt by any Lessee of written notice from Lender that an Event of Default has occurred and instructing the Lessee to thereafter pay the Rents directly to Lender, without necessity of further consent of Assignor. The Lessees may rely upon any written statement delivered by Lender to the Lessees. Any such payment to Lender shall constitute payment to Assignor under the Leases.

11. Name Change. Assignor shall give at least ninety (90) days advance notice in writing to Lender of any proposed change in Assignor's name, identity, organizational structure, or principal place of business.

12. Continuing Assignment. Lender may take or release other security, may release any party primarily or secondarily liable for the Indebtedness, may grant extensions, renewals or indulgences with respect to the Indebtedness, and may apply any other security therefore held by it to the satisfaction of the Indebtedness, without prejudice to any of its rights hereunder.

13. Default under the Leases. A default by Assignor under the terms of any of the Leases which would entitle the Lessee thereunder to cancel and terminate such Lease shall be deemed an Event of Default hereunder and a default under the terms of the Note(s) and the Mortgage. Any reasonable expenditures made by Lender in curing any such default on Assignor's behalf, with interest thereon at the highest lawful rate, shall become part of the Indebtedness and the indebtedness secured by the Mortgage.

14. Cross-Collateralization. To the extent allowed by law, any and all collateral securing other indebtedness of Assignor and/or Maker to Lender and all of Assignor's and/or Maker's accounts with Lender and/or any member bank of the International BancShares Corporation, excluding however, all IRA and KEOGH and trust accounts upon which the grant of a security interest would be prohibited, and any and all repurchase agreements or other non-deposit obligations, also secure the Indebtedness.

15. Further Assurances.

- (a) Assignor agrees that at any time and from time to time, at the expense of Assignor, Assignor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Lender may reasonably request, in order to perfect and protect any assignment and/or security interest granted or purported to be granted hereby or to enable the Lender to exercise and enforce its rights and remedies hereunder with respect to any Lease.
- (b) This Assignment shall be in no way affected by any indulgence or indulgences, extension or extensions, change or changes in the form, evidence, suitability, rate of interest or otherwise of any of the Indebtedness, nor by want of presentment, notice, protest, suit, or indulgence with respect to the Indebtedness.
- (c) Assignor agrees that Lender has the right but not the obligation, at any time and from time to time, without prejudice to any claim against Assignor, and without notice to Assignor to: (i) exchange, release or surrender all or any part of the Collateral, (ii) sell all or any part of the Collateral in accordance with the terms and provisions of any security instrument and become the purchaser thereof at any public sale of the same, and (iii) settle or compromise with any person primarily or secondarily liable with Assignor, the Indebtedness, in whole or in part, and all renewals and extensions thereof, but without waiving Lender's rights to any and all deficiencies on the Indebtedness.
- (d) Assignor agrees that no failure, omission or delay on the part of Lender in exercising any rights hereunder or in taking any action to collect or enforce payment of any of the Indebtedness or in enforcing observance or performance of any agreement, covenant,

term or condition to be performed or observed under any documents executed in connection with the Indebtedness, either against Assignor or any other person primarily or secondarily liable with Assignor, shall operate as a waiver of any such right or in any manner prejudice the rights of Lender against Assignor.

- (e) Assignor waives any right to require Lender to first (i) proceed against any other person liable under the Indebtedness, (ii) proceed against, sell or exhaust any collateral held by Lender for the payment of the Indebtedness, or (iii) pursue any other remedy that Lender has or to which it may be entitled before pursuing any remedy directly against Assignor.
- (f) Assignor hereby appoints Lender Assignor's attorney-in-fact, with full authority in the place and stead of Assignor and in the name of Assignor or otherwise, from time to time in Lender's discretion to take any action and to execute any instrument which Lender may deem necessary or advisable to accomplish the purposes of this Assignment, including, without limitation, to receive, endorse and collect all instruments made payable to Assignor representing any payment or other distribution in respect of the Leases or any part thereof and to give full discharge for the same.
- (g) If Assignor defaults in performance of any agreement, covenant or obligation contained herein, Lender may itself perform, or cause performance of, such agreement, covenant or obligation, and the expenses of Lender incurred in connection therewith shall be payable by Assignor under Section 9 hereof.
- (h) Lender shall be deemed to have exercised reasonable care in the custody and preservation of each Lease in its possession if the Lease is accorded treatment substantially equal to that which Lender accords its own property, it being understood that Lender shall not have any responsibility for (a) ascertaining or taking action with respect to options, rights of first refusal, requests for approval or other matters relative to any Lease, whether or not Lender has or is deemed to have knowledge of such matters (but Lender agrees to act upon written instructions of Assignor with respect to such matters if such instructions are received within a reasonable period of time prior to any requested action), or (b) taking any necessary steps to preserve rights against any parties with respect to any Leases.

16. Events of Default. The occurrence of any of the following events shall constitute an event of default ("Event of Default") under this Assignment:

- (a) Assignor or Maker fails to pay any of the Indebtedness when the same shall become due and payable; or
- (b) Assignor or Maker (i) fails to perform any of their respective obligations under this Assignment or the other Loan Documents, or any other event of default or breach occurs under this Assignment or the other Loan Documents, or (ii) to the extent allowed by law, and except as to loans for homestead, homestead equity, home equity lines of credit, and/or household or other consumer goods, fails to perform any of their respective obligations under any other promissory note, security agreement, loan agreement or other agreement between Lender and Assignor or Maker or any other event of default or breach occurs thereunder; or
- (c) any (i) statement, representation or warranty made by Assignor or Maker in this Assignment, the other Loan Documents, or in any other agreement between Lender and Assignor or Maker, or (ii) any information contained in any financial statement or other document delivered to Lender by or on behalf of Assignor or Maker contains any untrue statement of a material fact or omits to state a material fact necessary to make the statement, representation or warranty therein not misleading in light of the circumstances in which they were made; or
- (d) Assignor: (i) dies or becomes physically or mentally incapacitated; or (ii) in the case of a Assignor who is not a natural person, dissolves, terminates or in any other way ceases to legally exist or has its entity powers or privileges suspended or revoked for any reason; or (iii) makes an assignment for the benefit of creditors, or enters into any composition, marshalling of assets or similar arrangement in respect of its creditors generally; or (iv) becomes insolvent or generally does not pay its debts as such debts become due; or (v)

conceals, removes, or permits to be concealed or removed, any part of Assignor's property, with intent to hinder, delay or defraud its creditors or any of them, or makes or suffers a transfer of any of Assignor's property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law, or makes any transfer of Assignor's property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid; or

- (e) a trustee, receiver, agent or custodian is appointed or authorized to take charge of any property of Assignor for the purpose of enforcing a lien against such property or for the purpose of administering such property for the benefit of its creditors; or
- (f) an order (i) for relief as to Assignor is granted under Title 11 of the United States Code or any similar law, or (ii) declaring Assignor to be incompetent is entered by any court; or
- (g) Assignor files any pleading seeking, or authorizes or consents to, any appointment or order described in subsections (e) or (f) of this Section above, whether by formal action or by the admission of the material allegations of a pleading or otherwise; or
- (h) application is made for or there is an enforcement of any lien, levy, seizure, garnishment or attachment of any property of the Assignor for the purposes of collecting a lawful debt; or
- (i) any action or proceeding seeking any appointment or order described in subsections (e) or (f) of this Section above is commenced without the authority or consent of Assignor, and is not dismissed within thirty (30) days after its commencement; or
- (j) Assignor shall become involved (whether as plaintiff or defendant) in any material litigation (including, without limitation, matrimonial litigation) or arbitral or regulatory proceedings that, if determined adversely to Assignor, could materially and adversely affect Assignor's financial position, or could affect Assignor's ability to repay the Indebtedness, or could adversely affect the Collateral or any portion thereof or Lender's security interest therein; or
- (k) Assignor, in Lender's opinion, has suffered a material change in financial condition which, in Lender's opinion, impairs the ability of Assignor to repay the Indebtedness or to properly perform Assignor's obligations under this Assignment or the other Loan Documents; or
- (l) any of the events or conditions described in subsections (d) through (k) of this Section above happen to, by or with respect to Maker (if Maker and Assignor are not the same); or
- (m) Lender believes, as a result of any material change in condition whether or not described herein, that Lender will be adversely affected, that this Assignment is inadequately secured, or that the prospect of payment of any of the Indebtedness or performance of any of Assignor's or Maker's obligations under the Loan Documents is impaired, or
- (n) to the extent allowed by law, and except as to loans for homestead, homestead equity, home equity lines of credit, and/or household or other consumer goods, as to each Assignor and/or Maker with regard to any other credit facility with any other lender, any monetary default and/or any non-monetary default occurs which results in acceleration of the indebtedness by any such other lender; and each Assignor agrees to notify Lender of any such default within fifteen (15) days after the occurrence of the default; or
- (o) Assignor or Maker, or any of them, or any guarantor of any portion of the Indebtedness, fails to timely deliver any and all financial statements, income tax returns, cash flow information, balance sheets, accounts receivable reports, or any other business, tax or financial information requested by Lender.

17. Remedies upon Default.

- (a) If an Event of Default occurs, then Lender may pursue any and all remedies available under applicable law and any one or more of the following remedies, separately or concurrently or in any combination, without further notice or demand whatsoever, and without in any way waiving such Event of Default or any other remedy available to Lender:
- (1) Lender may, at its option, accelerate the maturity of all or any portion of the Indebtedness, whereupon all such amounts shall be due and payable immediately.
 - (2) Lender may, by its employees or agents, at its option, take possession of the Property and have, hold, manage, lease and operate the same, on such terms and for such period of time as Lender may deem proper.
 - (3) Lender may, by its employees or agents, at its option, collect and receive all Rents, issues and profits of the Property, with full power to make from time to time all alterations, renovations, repairs or replacements thereto and to perform such other acts in connection with the management and operation of the Property as Lender in its discretion may deem proper, and to apply such Rents, issues and profits to the payment of (i) the cost of all such alterations, renovations, repairs and replacements, and expenses incident to taking and retaining possession of the Property and the management and operation thereof, and keeping the Property properly insured, (ii) all taxes, charges, claims, assessments, water rents and any other liens which may be prior to the Mortgage or the Indebtedness, and (iii) the Indebtedness, together with all costs and attorney's fees, in such order of priority as to any of such items as Lender in its sole discretion may determine, notwithstanding any statute, law, custom or use to the contrary. To this end, Assignor further agrees that it will assist Lender in all reasonable ways to collect said Rents, and will, upon request by Lender, execute a written notice to each Lessee directing the Lessee to pay the Rents to Lender. The receipt by Lender of any Rents, issues or profits pursuant to this Assignment after the institution of foreclosure proceedings under the Mortgage shall not cure any default nor affect such proceedings or sale pursuant thereto.
 - (4) Lender may, without prior notice to Assignor, exercise all rights and remedies available to Lender under Chapter 64, Subtitle B, Title 5 of the Texas Property Code, as amended (the "Assignment of Rents Statute").
- (b) Nothing contained herein and no act done or omitted by Lender pursuant to the powers and rights granted it herein shall be deemed to be a waiver by Lender of its rights and remedies (i) under the Note(s), the Mortgage or other documents evidencing and/or securing the Loan, or (ii) under the Assignment of Rents Statute, but this Assignment is made and accepted without prejudice to any of the rights and remedies available to Lender under the terms thereof. The right of Lender to collect said Indebtedness and to enforce any other security therefore owned by it may be exercised by Lender either prior to, simultaneous with, or subsequent to any action taken by it hereunder. This Assignment and the powers and rights granted are separate and independent from any obligations contained in the Mortgage and may be enforced without regard to whether Lender institutes foreclosure proceedings under the Mortgage. This Assignment is in addition to the Mortgage and shall not affect, diminish or impair Lender's rights or remedies under the Mortgage, but the rights and authority herein granted may be exercised in conjunction with the Mortgage.

18. Expenses. The Assignor will upon demand pay to the Lender the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Lender may incur in connection with (a) the administration of this Assignment, (b) the custody or preservation of, or the sale of, collection from, or otherwise realization upon, any of the Leases, (c) the exercise or enforcement of any of the rights of the Lender hereunder, or (d) the failure by the Assignor to perform or observe any of the provisions hereof.

19. Termination of Assignment. Upon payment in full of all Indebtedness secured hereby, this Assignment shall become and be void and of no effect; but the affidavit, certificate, letter or statement of any officer, supervisor or attorney of Lender showing any part of said Indebtedness to remain unpaid shall be and constitute conclusive evidence of the validity, effectiveness and

continuing force of this Assignment, and any person may be and is hereby authorized to rely thereon. A notice in compliance with the Assignment of Rents Statute to Lessees from Lender for the payment of the Rents on any Event of Default claimed by Lender shall be sufficient notice to said Lessees to make future payments of rents to Lender, without the necessity of further consent by said Assignor.

20. **Governing Law.** This Assignment shall be governed by and construed in accordance with the laws of the State where Lender is located pursuant to the address set forth in the first paragraph above.

21. **Transfer.** This Assignment and all rights and powers hereunder, together with the Leases then held in pledge hereunder, may be transferred and assigned by the Lender at such time and upon such terms as Lender may deem advisable; and such assignee shall succeed to all the rights and powers of the Lender hereunder.

22. **Notices.** Notices and other communications pertaining to this Assignment shall be in writing and shall be effective only if delivered in person or mailed in U.S. certified mail, return receipt requested, postage prepaid, (i) to Lender, if sent to: **International Bank of Commerce, One South Broadway, McAllen, Texas 78505, Attn: David Guerra**, and (ii) to Assignor, if sent to Assignor's address shown below. Except as otherwise required by law, any notice given or made pursuant hereto shall be deemed effectively given on the date of personal delivery or, if mailed, on the date such notice is deposited in the U.S. Mail, if, with respect to Lender, actually received. Any party may change its address for notices in the manner set forth above.

23. **Miscellaneous:**

- (a) This Assignment, the schedules and exhibits hereto and the agreements and instruments required to be executed and delivered hereunder set forth the entire agreement of the parties with respect to the subject matter hereof and supersede and discharge all prior agreements (written or oral) and negotiations and all contemporaneous oral agreements concerning such subject matter and negotiations. There are no oral conditions precedent to the effectiveness of this Assignment.
- (b) Neither the failure of nor any delay by any party to this Assignment to enforce any right hereunder or to demand compliance with its terms is a waiver of any right hereunder. No action taken pursuant to this Assignment on one or more occasions is a waiver of any right hereunder or constitutes a course of dealing that modifies this Assignment.
- (c) No waiver of any right or remedy under this Assignment shall be binding on any party unless it is in writing and is signed by the party to be charged. No such waiver of any right or remedy under any term of this Assignment shall in any event be deemed to apply to any subsequent default under the same or any other term contained herein.
- (d) No amendment modification or termination of this Assignment shall be binding on any party hereto unless it is in writing and is signed by the party to be charged.
- (e) If any term of provision set forth in this Assignment shall be invalid or unenforceable, the remainder of this Assignment, or the application of such terms or provisions to persons or circumstances, other than those to which it is held invalid or unenforceable, shall be construed in all respects as if such invalid or unenforceable term or provision were omitted.
- (f) The terms of this Assignment shall be binding upon Assignor, Assignor's successor, assigns, executors, heirs and personal representatives as the case may be, and shall inure to the benefit of Lender and the successors and assigns of Lender.
- (g) Nothing herein expressed or implied is intended or shall be construed to give any person other than the parties hereto any rights or remedies under this Assignment.
- (h) Where this Assignment authorizes or requires a payment or performance on a Saturday, Sunday or public holiday, such payment or performance shall be deemed to be timely if made on the next succeeding business day.

- (i) In this Assignment, words in the singular number include the plural, and in the plural include the singular, words of the masculine gender include the feminine and the neuter, and when the context so indicates words of the neuter gender may refer to any gender and the word "or" is disjunctive but not exclusive. The captions and section numbers appearing in this Assignment are inserted only as a matter of convenience. They do not define, limit or describe the scope or intent of the provisions of this Assignment.
- (j) The parties intend to conform strictly to the applicable federal, state, and local laws as now or hereafter construed by the courts having jurisdiction. All agreements between the parties hereto (or any other party liable with respect to the Indebtedness) are hereby limited by the provisions of this section which shall override and control all such agreements, whether now existing or thereafter arising and whether written or oral. If from a construction of any document related to any agreement between the parties hereto (or any other party liable with respect to the Indebtedness), any term(s) or provision(s) of the document is in conflict with, or in violation of, applicable laws, any such construction shall be subject to the provisions of this section and such document shall be automatically reformed as to comply with applicable law, without the necessity of execution of any amendment or new document.
- (k) THE TERM LENDER INCLUDES ANY OTHER OWNER AND HOLDER OF THIS ASSIGNMENT AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS. THIS ASSIGNMENT IS GOVERNED BY APPLICABLE TEXAS LAW, EXCEPT TO THE EXTENT THE USURY LAWS OF TEXAS ARE PRE-EMPTED BY FEDERAL LAW, IN WHICH CASE, SUCH FEDERAL LAW SHALL APPLY. VENUE OF ALL ACTIONS ON THIS ASSIGNMENT SHALL LIE IN CAMERON COUNTY, TEXAS, AND ALL OBLIGATIONS REQUIRED HEREIN ARE PERFORMABLE IN CAMERON COUNTY, TEXAS. THIS ASSIGNMENT HAS BEEN ACCEPTED BY LENDER IN THE STATE OF TEXAS.
- (l) Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: **International Bank of Commerce, One South Broadway, McAllen, Texas 78505, Attn: David Guerra.**
- (m) **ASSIGNOROR ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS ASSIGNMENT.**

24. **Swap Transactions.** Without limiting the generality of any other provisions of this Agreement, Assignor and Lender agree that the following obligations of Assignor and/or Maker are secured by this Agreement and constitute "Indebtedness", as that term is used in this Assignment: (i) any and all obligations, contingent or otherwise, whether now existing or hereafter arising, of the Assignor and/or Maker to Lender or any Lender Affiliate (as hereinafter defined) arising under or in connection with any Swap Transaction, and (ii) any Swap Related Loss (as defined in the Note) that becomes due and payable in accordance with the terms of the Note. The term "Swap Transaction", as used herein, means (i) any transaction evidenced by one or more agreements now existing or hereafter entered into between Assignor and/or Maker and Lender and/or any financial institution affiliated with International BancShares Corporation (a "Lender Affiliate") which is a rate swap, swap option, interest rate option or other financial instrument or interest (including an option with respect to any such transaction), (ii) any type of transaction that is similar to any transaction referred to in clause (i) above that is currently, or in the future becomes, recurrently entered into in the financial markets and which is a forward swap, future, option or other derivative on one or more rates, or any combination of the foregoing transactions, or (iii) any transaction that is similar to any transaction referred to in clause (i) or (ii) above except that it is between Lender or a Lender Affiliate and any party or entity other than Assignor and/or Maker and it is entered into by Lender or such Lender Affiliate on account of a corresponding Swap Transaction that is described in clause (i) or (ii) above. The occurrence or existence of any default, event of default or other similar condition or event (however described) on the part of Assignor and/or Maker arising under or with respect to any Swap Transaction shall constitute an Event of Default under this Assignment.

25. **ARBITRATION.**

BINDING ARBITRATION AGREEMENT
PLEASE READ THIS CAREFULLY. IT AFFECTS YOUR RIGHTS.

ASSIGNOR AND LENDER AGREE TO ARBITRATION AS FOLLOWS (hereinafter referred to as the "Arbitration Provisions"):

I. Special Provisions and Definitions applicable to both CONSUMER DISPUTES and BUSINESS DISPUTES:

- (a) **Informal Resolution of Customer Concerns.** Most customer concerns can be resolved quickly and to the customer's satisfaction by contacting your account officer, branch manager or by calling the Customer Service Department in your region. The region and numbers are:

1.	Laredo	956-722-7611
2.	Austin	512-397-4506
3.	Brownsville	956-547-1000
4.	Commerce Bank	956-724-1616
5.	Corpus Christi	361-888-4000
6.	Eagle Pass	830-773-2313
7.	Houston	713-526-1211
8.	McAllen	956-686-0263
9.	Oklahoma	405-841-2100
10.	Port Lavaca	361-552-9771
11.	San Antonio	210-518-2500
12.	Zapata	956-765-8361

In the unlikely event that your account officer, branch manager or the customer service department is unable to resolve a complaint to your satisfaction or if the Lender has not been able to resolve a dispute it has with you after attempting to do so informally, you and the Lender agree to resolve those disputes through binding arbitration or small claims court instead of in courts of general jurisdiction.

- (b) **Sending Notice of Dispute.** If either you or the Lender intend to seek arbitration, then you or the Lender must first send to the other by certified mail, return receipt requested, a written Notice of Dispute. The Notice of Dispute to the Lender should be addressed to: Dennis E. Nixon, President, at International Bancshares Corporation, P.O. Drawer 1359, Laredo, Texas 78042-1359 or if by email, ibcchairman@ibc.com. The Notice of Dispute must (a) describe the nature and basis of the claim or dispute; and (b) explain specifically what relief is sought. You may download a copy of the Notice of Dispute at www.ibc.com or you may obtain a copy from your account officer or branch manager.
- (c) **If the Dispute is not Informally Resolved.** If you and the Lender do not reach an agreement to resolve the claim or dispute within thirty (30) days after the Notice of Dispute is received, you or the Lender may commence a binding arbitration proceeding. During the binding arbitration proceeding, any settlement offers made by you or the Lender shall not be disclosed to the Arbitrator.
- (d) **"DISPUTE(S)".** As used herein, the word **"DISPUTE(S)"** includes any and all controversies or claims between the **PARTIES** of whatever type or manner, including without limitation, any and all claims arising out of or relating to this Assignment, compliance with applicable laws and/or regulations, any and all services or products provided by the Lender, any and all past, present and/or future loans, lines of credit, letters of credit, credit facilities or other form of indebtedness and/or agreements involving the **PARTIES**, any and all transactions between or involving the **PARTIES**, and/or any and all aspects of any past or present relationship of the **PARTIES**, whether banking or otherwise, specifically including but not limited to any claim founded in contract, tort, fraud, fraudulent inducement, misrepresentation or otherwise, whether based on statute, regulation, common law or equity.

- (e) **“CONSUMER DISPUTE”** and **“BUSINESS DISPUTE”**. As used herein, **“CONSUMER DISPUTE”** means a **DISPUTE** relating to an account (including a deposit account), agreement, extension of credit, loan, service or product provided by the Lender that is primarily for personal, family or household purposes. **“BUSINESS DISPUTE”** means any **DISPUTE** that is not a **CONSUMER DISPUTE**.
- (f) **“PARTIES”** or **“PARTY”**. As used in these Arbitration Provisions, the term **“PARTIES”** or **“PARTY”** means Assignor, Lender, and each and all persons and entities signing this Assignment or any other agreements between or among any of the **PARTIES** as part of this transaction. **“PARTIES”** or **“PARTY”** shall be broadly construed and include individuals, beneficiaries, partners, limited partners, limited liability members, shareholders, subsidiaries, parent companies, affiliates, officers, directors, employees, heirs, agents and/or representatives of any party to such documents, any other person or entity claiming by or through one of the foregoing and/or any person or beneficiary who receives products or services from the Lender and shall include any other owner and holder of this Assignment. Throughout these Arbitration Provisions, the term **“you”** and **“your”** refer to Assignor, and the term **“Arbitrator”** refers to the individual arbitrator or panel of arbitrators, as the case may be, before which the **DISPUTE** is arbitrated.
- (g) **BINDING ARBITRATION**. The **PARTIES** agree that any **DISPUTE** between the **PARTIES** shall be resolved by mandatory binding arbitration pursuant to these Arbitration Provisions at the election of either **PARTY**. **BY AGREEING TO RESOLVE A DISPUTE IN ARBITRATION, THE PARTIES ARE WAIVING THEIR RIGHT TO A JURY TRIAL OR TO LITIGATE IN COURT** (except for matters that may be taken to small claims court for a **CONSUMER DISPUTE** as provided below).
- (h) **CLASS ACTION WAIVER**. The **PARTIES** agree that (i) no arbitration proceeding hereunder whether a **CONSUMER DISPUTE** or a **BUSINESS DISPUTE** shall be certified as a class action or proceed as a class action, or on a basis involving claims brought in a purported representative capacity on behalf of the general public, other customers or potential customers or persons similarly situated, and (ii) no arbitration proceeding hereunder shall be consolidated with, or joined in any way with, any other arbitration proceeding. **THE PARTIES AGREE TO ARBITRATE A CONSUMER DISPUTE OR BUSINESS DISPUTE ON AN INDIVIDUAL BASIS AND EACH WAIVES THE RIGHT TO PARTICIPATE IN A CLASS ACTION.**
- (i) **FEDERAL ARBITRATION ACT AND TEXAS LAW**. The **PARTIES** acknowledge that this Assignment evidences a transaction involving interstate commerce. The Federal Arbitration Act shall govern (i) the interpretation and enforcement of these Arbitration Provisions, and (ii) all arbitration proceedings that take place pursuant to these Arbitration Provisions. **THE PARTIES AGREE THAT, EXCEPT AS OTHERWISE EXPRESSLY AGREED TO BY THE PARTIES IN WRITING, OR UNLESS EXPRESSLY PROHIBITED BY LAW, TEXAS SUBSTANTIVE LAW (WITHOUT REGARD TO ANY CONFLICT OF LAWS PRINCIPLES) WILL APPLY IN ANY BINDING ARBITRATION PROCEEDING OR SMALL CLAIMS COURT ACTION REGARDLESS OF WHO INITIATES THE PROCEEDING, WHERE YOU RESIDE OR WHERE THE DISPUTE AROSE.**

II. Provisions applicable only to a **CONSUMER DISPUTE**:

- (a) Any and all **CONSUMER DISPUTES** shall be resolved by arbitration administered by the American Arbitration Association (“AAA”) under the Commercial Arbitration Rules and the Supplemental Procedures for Resolution of Consumer Disputes and Consumer Due Process Protocol (which are incorporated

herein for all purposes). It is intended by the **PARTIES** that these Arbitration Provisions meet and include all fairness standards and principles of the American Arbitration Association's Consumer Due Process Protocol and due process in predispute arbitration. If a **CONSUMER DISPUTE** is for a claim of actual damages above \$250,000 it shall be administered by the AAA before three neutral arbitrators at the request of any **PARTY**.

- (b) Instead of proceeding in arbitration, any **PARTY** hereto may pursue its claim in your local small claims court, if the **CONSUMER DISPUTE** meets the small claims court's jurisdictional limits. If the small claims court option is chosen, the **PARTY** pursuing the claim must contact the small claims court directly. **The PARTIES agree that the class action waiver provision also applies to any CONSUMER DISPUTE brought in small claims court.**
- (c) For any claim for actual damages that does not exceed \$2,500, the Lender will pay all arbitration fees and costs provided you submitted a Notice of Dispute with regard to the **CONSUMER DISPUTE** prior to initiation of arbitration. For any claim for actual damages that does not exceed \$5,000, the Lender also agrees to pay your reasonable attorney's fees and reasonable expenses your attorney charges you in connection with the arbitration (even if the Arbitrator does not award those to you) plus an additional \$2,500 if you obtain a favorable arbitration award for your actual damages which is greater than any written settlement offer for your actual damages made by the Lender to you prior to the selection of the Arbitrator.
- (d) Under the AAA's Supplemental Procedures for Consumer Disputes, if your claim for actual damages does not exceed \$10,000, you shall only be responsible for paying up to a maximum of \$125 in arbitration fees and costs. If your claim for actual damages exceeds \$10,000 but does not exceed \$75,000, you shall only be responsible for paying up to a maximum of \$375 in arbitration fees and costs. For any claim for actual damages that does not exceed \$75,000, the Lender will pay all other arbitrator's fees and costs imposed by the administrator of the arbitration. With regard to a **CONSUMER DISPUTE** for a claim of actual damages that exceeds \$75,000, or if the claim is a non-monetary claim, the Lender agrees to pay all arbitration fees and costs you would otherwise be responsible for that exceed \$1,000. The fees and costs stated above are subject to any amendments to the fee and cost schedules of the AAA. The fee and cost schedule in effect at the time you submit your claim shall apply. The AAA rules also permit you to request a waiver or deferral of the administrative fees and costs of arbitration if paying them would cause you financial hardship.
- (e) Although under some laws, the Lender may have a right to an award of attorney's fees and expenses if it prevails in arbitration, the Lender agrees that it will not seek such an award in a binding arbitration proceeding with regard to a **CONSUMER DISPUTE** for a claim of actual damages that does not exceed \$75,000.
- (f) To request information on how to submit an arbitration claim, or to request a copy of the AAA rules or fee schedule, you may contact the AAA at 1-800-778-7879 (toll free) or at www.adr.org.

III. Provisions applicable only to a BUSINESS DISPUTE:

- (a) Any and all **BUSINESS DISPUTES** between the **PARTIES** shall be resolved by arbitration in accordance with the Commercial Arbitration Rules of the AAA in effect at the time of filing, as modified by, and subject to, these Arbitration Provisions. A **BUSINESS DISPUTE** for a claim of actual damages that exceeds \$250,000 shall be administered by AAA before at least three (3) neutral arbitrators at the request of any **PARTY**. In the event the aggregate of all affirmative claims asserted exceeds \$500,000, exclusive of interest and attorney's fees, or upon the written request of any **PARTY**, the arbitration shall be conducted under the AAA Procedures for Large, Complex Commercial Disputes. If the payment of arbitration fees and costs will cause you extreme financial hardship you may

request that AAA defer or reduce the administrative fees or request the Lender to cover some of the arbitration fees and costs that would be your responsibility.

- (b) The **PARTIES** shall have the right to (i) invoke self-help remedies (such as set-off, notification of account debtors, seizure and/or foreclosure of collateral, and nonjudicial sale of personal property and real property collateral) before, during or after any arbitration, and/or (ii) request ancillary or provisional judicial remedies (such as garnishment, attachment, specific performance, receiver, injunction or restraining order, and sequestration) before or after the commencement of any arbitration proceeding (individually, and not on behalf of a class). The **PARTIES** need not await the outcome of the arbitration proceeding before using self-help remedies. Use of self-help or ancillary and/or provisional judicial remedies shall not operate as a waiver of either **PARTY**'s right to compel arbitration. Any ancillary or provisional judicial remedy which would be available from a court at law shall be available from the Arbitrator. The **PARTIES** agree that the AAA Optional Rules for Emergency Measures of Protection shall apply in an arbitration proceeding where emergency interim relief is requested.
- (c) Except to the extent the recovery of any type or types of damages or penalties may not be waived under applicable law, the Arbitrator shall not have the authority to award either **PARTY** (i) punitive, exemplary, special or indirect damages, (ii) statutory multiple damages, or (iii) penalties, statutory or otherwise.
- (d) The Arbitrator may award attorney's fees and costs including the fees, costs and expenses of arbitration and of the Arbitrator as the Arbitrator deems appropriate to the prevailing **PARTY**. The Arbitrator shall retain jurisdiction over questions of attorney's fees for fourteen (14) days after entry of the decision.

IV. General provisions applicable to both CONSUMER DISPUTES and BUSINESS DISPUTES:

- (a) The Arbitrator is bound by the terms of these Arbitration Provisions. The Arbitrator shall have exclusive authority to resolve any **DISPUTES** relating to the scope or enforceability of these Arbitration Provisions, including (i) all arbitrability questions, and (ii) any claim that all or a part of these Arbitration Provisions are void or voidable (including any claims that they are unconscionable in whole or in part).
- (b) **These Arbitration Provisions shall survive any termination, amendment, or expiration of this Assignment, unless all of the PARTIES otherwise expressly agree in writing.**
- (c) If a **PARTY** initiates legal proceedings, the failure of the initiating **PARTY** to request arbitration pursuant to these Arbitration Provisions within 180 days after the filing of the lawsuit shall be deemed a waiver of the initiating **PARTY'S** right to compel arbitration with respect to the claims asserted in the litigation. The failure of the defending **PARTY** in such litigation to request arbitration pursuant to these Arbitration Provisions within 180 days after the defending **PARTY'S** receipt of service of judicial process, shall be deemed a waiver of the right of the defending **PARTY** to compel arbitration with respect to the claims asserted in the litigation. If a counterclaim, cross-claim or third party action is filed and properly served on a **PARTY** in connection with such litigation, the failure of such **PARTY** to request arbitration pursuant to these Arbitration Provisions within ninety (90) days after such **PARTY'S** receipt of service of the counterclaim, cross-claim or third party claim shall be deemed a waiver of such **PARTY'S** right to compel arbitration with respect to the claims asserted therein. The issue of waiver pursuant to these Arbitration Provisions is an arbitrable dispute. Active participation in any pending litigation described above by a **PARTY** shall not in any event be deemed a waiver of such **PARTY'S** right to compel arbitration. All discovery obtained in the pending litigation may be used in any subsequent arbitration proceeding.

- (d) Any **PARTY** seeking to arbitrate shall serve a written notice of intent to any and all opposing **PARTIES** after a **DISPUTE** has arisen. The **PARTIES** agree a timely written notice of intent to arbitrate by either **PARTY** pursuant to these Arbitration Provisions shall stay and/or abate any and all action in a trial court, save and except a hearing on a motion to compel arbitration and/or the entry of an order compelling arbitration and staying and/or abating the litigation pending the filing of the final award of the Arbitrator.
- (e) Any Arbitrator selected shall be knowledgeable in the subject matter of the **DISPUTE** and be licensed to practice law.
- (f) For a one (1) member arbitration panel, the **PARTIES** are limited to an equal number of strikes in selecting the arbitrator from the AAA neutral list, such that at least one arbitrator remains after the **PARTIES** exercise all of their respective strikes. For a three (3) member arbitration panel, the **PARTIES** are limited to an equal number of strikes in selecting the arbitrators from the AAA neutral list, such that at least three arbitrators remain after the **PARTIES** exercise all of their respective strikes. After exercising all of their allotted respective strikes, the **PARTIES** shall rank those potential arbitrators remaining numerically in order of preference (with "1" designating the most preferred). The AAA shall review the **PARTIES** rankings and assign a score to each potential arbitrator by adding together the ranking given to such potential arbitrator by each **PARTY**. The arbitrator(s) with the lowest score total(s) will be selected. In the event of a tie or ties for lowest score total and if the selection of both or all of such potential arbitrators is not possible due to the required panel size, the AAA shall select the arbitrator(s) it believes to be best qualified.
- (g) The **PARTIES** and the Arbitrator shall treat all aspects of the arbitration proceedings, including, without limitation, any documents exchanged, testimony and other evidence, briefs and the award, as strictly confidential; provided, however, that a written award or order from the Arbitrator may be filed with any court having jurisdiction to confirm and/or enforce such award or order.
- (h) Any statute of limitation which would otherwise be applicable shall apply to any claim asserted in any arbitration proceeding under these Arbitration Provisions, and the commencement of any arbitration proceeding tolls such statute of limitations.
- (i) If the AAA is unable for any reason to provide arbitration services, then the **PARTIES** agree to select another arbitration service provider that has the ability to arbitrate the **DISPUTE** pursuant to and consistent with these Arbitration Provisions. If the **PARTIES** are unable to agree on another arbitration service provider, any **PARTY** may petition a court of competent jurisdiction to appoint an Arbitrator to administer the arbitration proceeding pursuant to and consistent with these Arbitration Provisions.
- (j) The award of the Arbitrator shall be final and Judgment upon any such award may be entered in any court of competent jurisdiction. The arbitration award shall be in the form of a written reasoned decision and shall be based on and consistent with applicable law.
- (k) Unless the **PARTIES** mutually agree to hold the binding arbitration proceeding elsewhere, venue of any arbitration proceeding under these Arbitration Provisions shall be in the county and state where Lender is located, which is Lender's address set out in the first paragraph on page 1 hereof.
- (l) If any of these Arbitration Provisions are held to be invalid or unenforceable, the remaining provisions shall be enforced without regard to the invalid or unenforceable term or provision.

JURY WAIVER: IF A DISPUTE BETWEEN YOU AND LENDER PROCEEDS IN COURT RATHER THAN THROUGH MANDATORY BINDING ARBITRATION, THEN YOU AND LENDER BOTH WAIVE THE RIGHT TO A JURY TRIAL, AND SUCH DISPUTE WILL BE TRIED BEFORE A JUDGE ONLY.

NO ORAL AGREEMENTS

THIS WRITTEN ASSIGNMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENT OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Lender:

INTERNATIONAL BANK OF COMMERCE

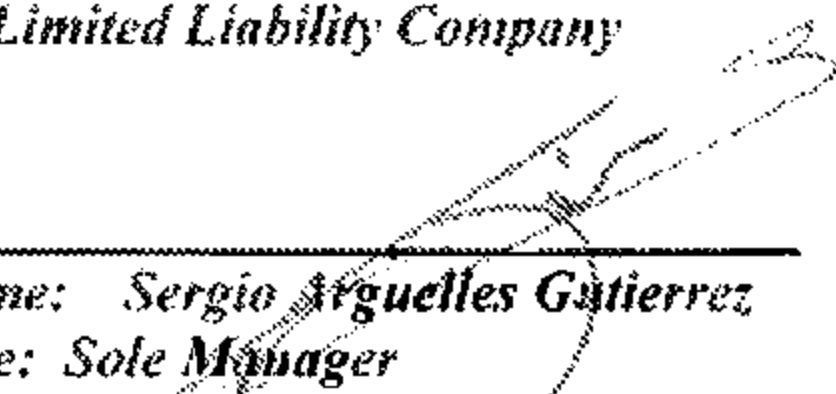
By: 

Name: Mary Magnon

Title: Vice President

Assignor:

*S & P Foreign Assets South Padre Island, LLC
A Texas Limited Liability Company*

By: 

Name: Sergio Arguelles Gutierrez
Title: Sole Manager

Address: 200 E. Tesoro Ave.
Rancho Viejo, Texas 78575

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF HIDALGO

This instrument was acknowledged before me on the 28th day of October, 2016 by Sergio Arguelles Gutierrez, Sole Manager of S & P Foreign Assets South Padre Island, a Texas Limited Liability Company.




Notary Public, State of Texas
My Commission Expires: 2-23-19

ACKNOWLEDGMENT

STATE OF TEXAS

COUNTY OF HIDALGO

This instrument was acknowledged before me on the 31st day of October, 2016 by Mark Magnon, Vice President of International Bank of Commerce.

Kimberly Gonzalez
Notary Public, State of Texas
My Commission Expires: 04/01/2020

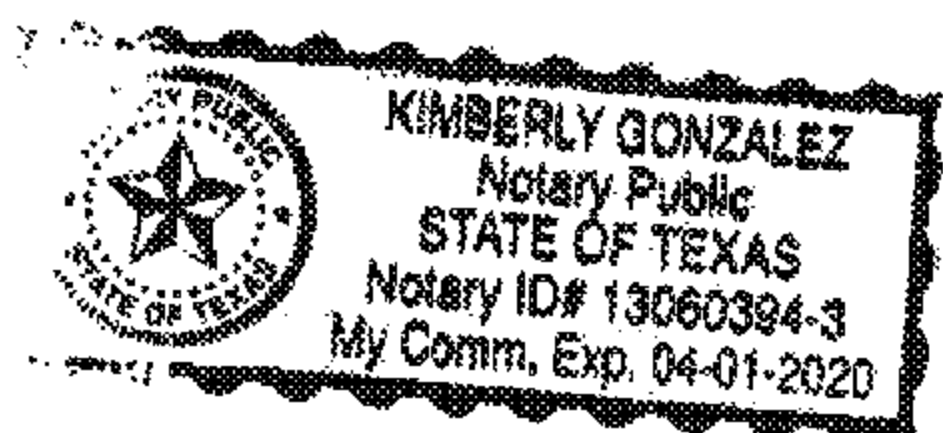


EXHIBIT A
COLLATERAL ASSIGNMENT OF LEASES, RENTS AND INCOME

LEGAL DESCRIPTION

Condominium Unit 202, South Tower, Los Corales Condominiums, South Padre Island, Cameron County, Texas, according to Condominium Declaration of Los Corales Condominium dated January 13, 2010, recorded in Volume 16601, Page 1, Official Records of Cameron County, Texas, together with Assigned Parking Space No. 48-S, and assigned Ground Floor Storage Space No. 31, and Same Floor Storage Space No. 2 , together with an undivided interest in the general common elements, according to and more particularly described in said condominium declaration.

EXHIBIT B
COLLATERAL ASSIGNMENT OF LEASES, RENTS AND INCOME
LEASES

All agreements under which any portion of the Property is used or occupied by anyone, other than Assignor.